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PROFESSIONAL ASSOCIATION
ATTORNEYS AT LAW

GREENVILLE, SOUTH CAROLINA 29603 INTERSTATE COMMERCE COMMISSION

June 27, 1979

RECORDATION NO. 10549
Filed 1425

JUN 29 1979 - 9 30 AM

INTERSTATE COMMERCE COMMISSION

RECORDATION NO. 10549-1425

JUN 29 1979 - 9 30 AM

POST OFFICE BOX 10207
44 EAST CAMPERDOWN WAY
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TELEPHONE 803-242-3131

9-180A010

JUN 29 1979

Date

Fee \$ 30.00

CC Washington, D. C.

Secretary
Interstate Commerce Commission
Constitution Avenue at 12th Street, N.W.
Washington, D. C. 20023

Dear Mrs. Lee:

Enclosed please find for filing with the Interstate Commerce Commission the following documents:

1. Note Purchase Agreement dated on or about June 29, 1979 among National Railway Utilization Corporation, New England Merchants National Bank and the Obligors whose names and addresses appear on the attached Exhibit 1.
2. Amendment dated on or about June 29, 1979 to Security Agreement dated as of June 11, 1979 between National Railway Utilization Corporation and

The Note Purchase Agreement covers one hundred four (104), 50', 6", Type XM railroad boxcars bearing road numbers 281134 - PT 201257 and NSL 151450 - NSL 151474 and NSL 156115 - NSL 156124 and PT 206003 - PT 206009.

The Amendment to Security Agreement covers 10 boxcars numbered PT 201199 through PT 201208.

The address of New England Merchants National bank is 28 State Street, Boston, Massachusetts 02108. The address of National Railway Utilization Corporation is 1100 Centre Square East, 1500 Market Street, Philadelphia, Pennsylvania 19102. The address of the Obligor is listed on the attached Exhibit 1.

Enclosed also please find a check in the amount of \$1,620 to cover the cost of filing the Note Purchase Agreement and all of the Amendments to Security Agreement.

The Amendment to Security Agreement amends a Security Agreement between the Obligor whose name appears above and National Railway Utilization Corporation dated as of June 11, 1979.

Mr. Robert Trevarrow will file these documents. Please accept one original for filing, stamp the remaining copies and return them to me.

Sincerely,

Carl F. Muller
Carl F. Muller

CFM/bjm

Enclosures

EXHIBIT 1

NAME	NUMBERS OF BOXCARS	AMOUNT	
John H. Rees 190 Upper Mountain Avenue Montclair, New Jersey 07042	PT 201199 - PT 201208	10	10476-C
John A. Mariscotti Apartment S-202 Oak Hill Estates Hagy's Ford Road North Penn Valley, Pa. 19312	PT 201209 - PT 201218	10	10490-C
Charles P. Turnburke 265 Keller Road Berwyn, Pa. 19312	PT 201219 - PT 201237	19	10491-C
William W. Kehl 7 Seven Oaks Drive Greenville, S. C. 29605	PT 201238 - PT 201239	2	10470-C
Ronald K. Gooding 110 Stone Hedge Drive Greenville, S. C. 29615	PT 201240 - PT 201244	5	10472-C
C. T. Wyche 1140 Parkins Mill Road Greenville, S. C. 29607	PT 201245 - PT 201247	3	10485-C
Buck Alston Mickel 415 Crescent Avenue Greenville, S. C. 29605	PT 201248	1	10482-C
Buck Mickel 415 Crescent Avenue Greenville, S. C. 29605	NSL 151452 and PT 201249 - PT 201257	10	10492-A
Charles Clark Mickel 415 Crescent Avenue Greenville, S. C. 29605	NSL 151453	1	10480-C
Harold and Minor Mickel Shaw 415 Crescent Avenue Greenville, S. C. 29605	NSL 151454 - NSL 151456	3	10481-C
D. F. King 44 Fenwick Lane Greenville, S. C. 29611	NSL 151472	1	10467-C
Francis M. Hipp P.O. Box 789 Greenville, S. C. 29602	NSL 151473 - NSL 151474	2	10475-C
Greg Rothe Green Valley Drive Greenville, S. C. 29609	NSL 156115	1	10483-C

<u>NAME</u>	<u>NUMBERS OF BOXCARS</u>	<u>AMOUNT</u>	
David L. Freeman 118 Crescent Avenue Greenville, S. C.	NSL 156116 - NSL 156117	2	10473-C
Nathan A. Einstein 312 Chantilly Drive Greenville, S. C. 29615	NSL 156118 - NSL 156119	2	10471-C
James M. Shoemaker, JR. 109 Pineforest Drive Greenville, S. C. 29605	NSL 156120	1	10468-C
Andrew P. Goldstein 11220 Chestnut Grove Square Reston, Virginia 22090	NSL 156121	1	10484-C
F. E. Haag 210 Pineforest Drive Greenville, S. C. 29605	NSL 156122 - NSL 156123	2	10479-C
J. B. Stephens 621 Pelham Road Greenville, S. C. 29607	NSL 156124 and PT 206000 - PT 206004	6	10488-C
Hugh C. Lane Citizens and Southern National Bank of South Carolina P.O. Box 10608 Charleston, S. C. 29411	PT 206005 - PT 206009	5	10489-C
Hugh C. Lane, Jr. Citizens and Southern National Bank of South Carolina P.O. Box 10608 Charleston, S. C. 29411	NSL 151450	1	10478-C
Woodrow B. Moats, Jr. 745 Old State Road Berwyn, Pa. 19312	NSL 151451 and NSL 151457	2	10487-C
Robert L. Shiner, Jr. 4200 Woodhaven Road Apartment 123 Philadelphia, Pa. 19154	NSL 151458 - NSL 151460	3	10486-C
Virginia Darmstadter 6546 Mapledale Court Falls Church, Virginia 22041	NSL 151461 - NSL 151462	2	10474-C
Richard J. Kelly 216 Walnut Hill Lane Havertown, Pa. 19083	NSL 151463 - NSL 151464	2	10477-C
Carol D. Vinson 34 Salem Way Malvern, Pa. 19355	NSL 151465 - NSL 151467		10469-C
Donald C. Carroll 4100 Goshen Road Newtown Square, Pa.	NSL 151468 - NSL 151471	4	10493-C

NOTE PURCHASE AGREEMENT

JUN 29 1979 - 9 25 AM

INTERSTATE COMMERCE COMMISSION

AGREEMENT made as of this 29th day of June, 1979, by and among NATIONAL RAILWAY UTILIZATION CORPORATION, A South Carolina corporation ("NRUC"), NEW ENGLAND MERCHANTS NATIONAL BANK, a national banking association ("Merchants"), and each of the individuals listed on Exhibit 1 hereto (individually referred to as "Obligor" and collectively referred to as the "Obligors").

W I T N E S S E T H:

WHEREAS each Obligor has purchased one or more railroad boxcars (the "Boxcars") as indicated on Exhibit 1 hereto and, in connection therewith, NRUC has loaned to each Obligor an amount equal to 90% of the purchase price for each of the Boxcars purchased by such Obligor (the "Loans");

WHEREAS each Obligor has executed and delivered to NRUC a promissory note (the "Note" or "Notes") in the form of Exhibit 2 hereto, evidencing such Obligor's indebtedness to NRUC in respect of the Loans and has executed and delivered to NRUC a security agreement and an amendment thereto (the "Security Agreement" or "Security Agreements") in the forms of Exhibits 3A and 3B hereto, granting to NRUC a security interest in each of the Boxcars

purchased by such Obligor and in the management agreements (the "Management Agreement" or "Management Agreements"), in the form of Exhibit 4 hereto, between NRUC and such obligor, relating to the use of the Boxcar(s) purchased by such Obligor,

WHEREAS NRUC desires to sell and assign the Notes and the Security Agreements to Merchants,

WHEREAS the Obligors desire that such sale and assignment be consummated in order to extend the maturity of the Notes from January 1, 1980, to January 1, 1985, and

WHEREAS Merchants desires to purchase the Notes and the Security Agreements,

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained and \$10 and other valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. Assignments of NRUC

NRUC hereby sells and assigns the Notes and the Security Agreements to Merchants and represents and warrants that the Notes and Security Agreements have been delivered to Merchants. In payment for such sales and assignments, Merchants has wired funds to NRUC in the amount of \$3,884,400. Neither Merchants nor its assigns shall have any recourse against NRUC

solely as a result of the nonpayment of any of the Notes in the absence of any breach of any representation, warranty or covenant of NRUC.

2. Consents and Assignments of the Obligors

(a) Each Obligor hereby consents to the assignment of the Notes and the Security Agreements to Merchants and to the governance of Massachusetts law and the application of such law to the construction of any provision of the Notes and the Security Agreements. Each Obligor agrees that Merchants is thereby entitled to all of the rights and privileges of the payee and the secured party, respectively, under the Notes and the Security Agreements.

(b) Each Obligor hereby assigns to Merchants all of the rights and interests of such Obligor in his Management Agreement with NRUC and in a manufacturer's Equipment Warranty and Patent Indemnity (the "Warranty Letter" or "Warranty Letters"), in the form of Exhibit 5 hereto, with respect to the Boxcar(s) purchased by such Obligor. These assignments shall continue in effect with respect to an Obligor only until the Obligor's Note has been paid in full and upon such payment in full shall cease to have any further effect.

3. Representations and Warranties of NRUC

NRUC hereby represents and warrants to Merchants as follows:

(a) NRUC has executed a Certificate of Acceptance (as defined in the Management Agreement) as to each of the Boxcars.

(b) Each of NRUC's representations and warranties set forth in Section 15 of the Management Agreements and each of the Obligor's representations and warranties in Section 4 hereof is true and correct as of the date hereof.

(c) The execution and delivery of this Agreement, the Notes, the Security Agreements, the Management Agreements and those Warranty Letters executed by NRUC (the "NRUC Warranty Letters") have been authorized by all necessary corporate action on the part of NRUC, and constitute valid and binding obligations of NRUC enforceable against NRUC in accordance with their terms.

(d) NRUC is not in violation of any provision of its Charter, By-laws, this Agreement or, in any material respect, any other document to which it is a party, and the execution, delivery and performance of this Agreement will not, and the execution and delivery of the Notes, the Security Agreements, the Management Agreements and the NRUC Warranty Letters did not result in the violation of any such provision.

(e) NRUC is not in violation of any statute, ordinance, rule, regulation, judgment, decree, order, license or permit

applicable to it or the activities proposed to be conducted by it which, either in case or in the aggregate, will result in any material adverse change in the condition, business or prospects of NRUC or in its properties or assets, or in any material liability on the part of NRUC, or which questions the validity of this Agreement, the Note, the Security Agreements, the Management Agreements or the NRUC Warranty Letters or any action taken or to be taken in connection herewith or therewith, and no consent, approval or authorization by any governmental authority is required in connection with the execution, delivery and performance of this Agreement and such related agreements and Warranty Letters.

(f) NRUC has only one place of business in the Commonwealth of Pennsylvania and that is located at 1100 Centre Square East, 1500 Market Street, Philadelphia, Pennsylvania. Such place of business is the NRUC's principal place of business.

(g) The Security Agreements and amendments thereto and assignments thereof have been duly filed and recorded with the Interstate Commerce Commission pursuant to Section 11,303 of the Interstate Commerce Act and such filing and recordation will protect Merchant's interest in and to the Boxcars and no filing, recording or deposit with any other Federal, state or local government is necessary in order to protect the first lien

ownership and first security interests of Merchants in and to the Boxcars in the United States of America; and the financing statements necessary to perfect the Merchant's first security interest in the Management Agreements have been duly recorded and filed with the Secretaries of State of South Carolina, New Jersey, Pennsylvania and Virginia and the appropriate filing office in the District of Columbia, and no other filing or recording is necessary to perfect Merchant's first security interest in the Management Contracts.

(h) The Boxcars are qualified to receive incentive per diem payments as provided in Part 1036, Subchapter A of Chapter X of Title 49 of the Code of Federal Regulations - Incentive Per Diem Charges on Boxcars.

(i) The Boxcars will be used in interstate commerce and, except with respect to its interests in the Boxcars, Merchants will not be subject to the provisions of the Interstate Commerce Act or to the authority of the Interstate Commerce Commission.

4. Representations and Warranties of Obligors

Each Obligor hereby represents and warrants to Merchants as follows:

(a) The financial statement delivered by him to Merchants is true and correct in all material respects on the date hereof.

(b) In purchasing his Note and accepting an assignment of his Security Agreement, Management Agreement and Warranty Letter, Merchants has acquired all rights and interests of NRUC therein and thereunder and such Obligor is obligated to Merchants to the same extent as he was obligated to NRUC prior to the sale and assignment effected hereby.

(c) He has the full power and legal capacity to execute, deliver and perform this Agreement and had the full power and authority to execute and deliver and has the full power and authority to perform the Note and Security Agreement.

(d) Neither he nor NRUC has violated any Federal or state securities law in connection with the purchase or sale of the Boxcars or the execution and delivery of the Management Agreements, the Notes or any related document or instrument.

(e) Except for security interests assigned hereunder to Merchants, he has full right, title and interest to the Boxcar(s) attributed to him on Exhibit 1 hereto and to the Management Agreement between him and NRUC, free and clear of any lien, charge or encumbrance of any kind.

5. Additional Representations, Warranties and Covenants of NRUC

(a) NRUC confirms to Merchants all of the warranties under the NRUC Warranty Letters.

(b) NRUC represents and warrants that it has not engaged in any violation of any Federal or state securities law in connection with the purchase or sale of any of the Boxcars or the Management Agreements or any related transaction, document or instrument. NRUC hereby agrees to indemnify and hold harmless Merchants from and against any liability or loss of income or right to payment under the Notes or loss of security resulting from any action under any Federal or state securities law, such indemnification to include all court costs and attorneys and other fees incurred by Merchants in connection therewith. Merchants shall be entitled to payment under such indemnification within ten days after presentation to NRUC or its agent of any evidence of payment by Merchants of any amount as to which it is entitled to indemnification hereunder.

(c) NRUC shall promptly notify Merchants of any event of which NRUC becomes aware, which adversely affects any Collateral (as defined in the Security Agreements) or any Obligor's ability to pay interest on or principal of the Notes.

(d) NRUC hereby confirms that Merchants shall be entitled to all interest on the Notes accruing on and after June 29, 1979.

6. Maintenance, Casualty Occurrences and Insurance

(a) Each Obligor agrees that, at his own cost and expense, he will maintain and keep each of his Boxcars in good order and

effect under the Interchange Rules of the Association of American Railroads for use in interchange.

(b) In the event that any Boxcar shall be worn out, lost, stolen, destroyed or, in the opinion of the Obligor who owns it, irreparably damaged (which includes any Boxcar damaged to such an extent that it cannot be economically repaired to a state where it will earn ordinary revenues in the normal course of trade, giving consideration to equipment of like type and age), from any cause whatsoever, or taken or requisitioned by condemnation or otherwise (such occurrences being herein called "Casualty Occurrences") such Obligor shall promptly after he shall have determined that such unit has suffered a Casualty Occurrence cause Merchants to be fully informed in regard thereto. On the next succeeding date for the payment of interest on the Note (hereinafter called a "Casualty Payment Date"), the Obligor shall pay to Merchants a sum equal to the Casualty Value (as hereinafter defined in this Section) of such unit suffering a Casualty Occurrence as of the date of such payment and shall file or cause to be filed with Merchants a certificate setting forth the Casualty Value of such unit. Any money paid to Merchants pursuant to this Section shall be applied, in the inverse order of maturity, to scheduled principal payments under the Note.

(c) Each Obligor will maintain with respect to his Boxcars, fire and all risk physical damage insurance in an amount equal to

the total Casualty Value of all his Boxcars and public liability insurance for an amount of not less than \$3,000,000 for each person and \$3,000,000 for each occurrence, all such insurance containing such terms and in such form for such purposes and written by such companies as may be satisfactory to Merchants, payable to Merchants as its interest may appear or as additional insured, and each Obligor will deliver to Merchants at its request evidence satisfactory to Merchants that such insurance has been so procured and made payable to Merchants. If an Obligor fails to maintain satisfactory insurance, Merchants shall have the option to do so and the Obligor agrees to repay with interest at the rate of 13 3/4% per annum, all amounts so expended by Merchants. Each Obligor grants to Merchants a power of attorney to the extent necessary to permit Merchants to collect, in the name of the Obligor, all sums due under insurance policies insuring Boxcars if the Obligor has failed to take such action within ten days of a written request to him to do so.

(d) "Casualty Value" with respect to a Boxcar shall be equal to the outstanding principal of, and accrued interest on, the Note secured by such Boxcar, divided by the number of Boxcars securing such Note.

7. Reports and Inspection

(a) On or before March 30th in each year, commencing with

the calendar year 1980, NRUC shall furnish to Merchants an accurate statement (i) setting forth as at the preceding December 31st the amount, description and number of all Boxcars that have suffered a Casualty Occurrence during the preceding calendar year (or since the date of this Agreement in the case of the first such statement) and such other information regarding the condition and state of repair of the Boxcars as Merchants may reasonably request, including but not limited to the names, initials or other insignia at that time identifying each Boxcar and (ii) stating that, in the case of all Boxcars repaired or repainted during the period covered by such statement, the numbers and markings required by Section 8 have been preserved or replaced.

(b) Within 90 days after the end of each of its fiscal years and within 45 days after the end of each of its first three fiscal quarters, NRUC shall deliver to Merchants consolidating and consolidated balance sheets as of the end of such year or quarter and a statement of income and consolidating and consolidated changes in financial position for the year or quarter then ended. The consolidating and consolidated annual statements shall be audited without exception as to scope and the consolidated statements reported upon by independent certified public accountants reasonably satisfactory to Merchants; the quarterly consolidating and consolidated statements shall be unaudited but

shall be certified by the chief financial officer of NRUC. Each such statement shall be accompanied by a certificate of the chief financial officer of NRUC stating that during the period from the beginning of the period covered by the statement of income through the date of the certificate no default or event of default existed under this Agreement or, if an event of default does exist, describing in reasonable detail the nature and extent thereof, and stating whether or not the same has been cured. Each such audited statement shall be accompanied by a letter from the independent certified public accountants reporting thereon stating whether or not the normal course of their audit disclosed any such default or events of default and, if so, describing the nature and extent thereof and stating whether or not the same has been cured.

(c) Merchants shall have the right, by its agents, to inspect the Boxcars and the books and records of NRUC which are pertinent to the Boxcars at such reasonable times as Merchants may request in writing during the term of this Agreement.

8. Marking of Equipment

(a) Each Obligor will cause his Boxcar(s) to be kept numbered with the identifying number as set forth in Exhibit 1 hereto and will keep and maintain plainly, distinctly,

permanently and conspicuously marked on each side of each Boxcar, in letters not less than one inch in height, the words "Ownership subject to documents filed pursuant to the Interstate Commerce Act" or other appropriate words designated by Merchants, with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect Merchant's interest in the Boxcar and its rights under this Agreement. NRUC will not permit any such unit to be placed in operation or exercise any control or dominion over the same until such markings shall have been made thereon, and NRUC will replace or will cause to be replaced promptly any such markings which may be removed, defaced or destroyed. NRUC will not permit the identifying number of any Boxcar to be changed except in accordance with a statement of new number or numbers to be substituted therefor, which statement previously shall have been filed with Merchants or filed, recorded or deposited by the Obligor in all public offices where this Agreement shall have been filed, recorded or deposited.

(b) Except as provided in the immediately preceding paragraph, NRUC will not allow the name of any person, association or corporation to be placed on any Boxcar as a designation that might be interpreted as a claim of ownership; provided, however, the Boxcar may be lettered with the names or

initials or other insignia customarily used by NRUC or any of its affiliates.

9. Compliance and Laws and Rules

During the term of this Agreement, each Obligor will comply and will cause every other user of the Boxcars to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of the Boxcars) with all laws of the jurisdictions in which his or such users' operations involving the Boxcars may extend, with the interchange rules of the Association of American Railroads and with all lawful rules of the Department of Transportation, the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Boxcars to the extent that such laws and rules affect the title, operation or use of the Boxcars and, in the event that such laws or rules require any alteration, replacement or addition of or to any part on any unit of the Boxcars, each Obligor will conform therewith at his own expense; provided, however, that the Obligor may, in good faith, contest the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of Merchants, adversely affect the property or rights of Merchants under this Agreement. NRUC's covenants to the Obligor

in Section 10 of the Management Agreement are hereby extended and made to and for the benefit of Merchants.

10. Possession and Use

So long as no event of default shall have occurred and no event which, with the passage of time or nature or both, would constitute such an event shall have occurred, each Obligor shall be entitled to the possession of the Boxcars and shall also be entitled to the use of the Boxcars in accordance with the Management Agreements.

11. Prohibition Against Liens

Each Obligor will pay or discharge any and all sums claimed by any party from, through or under the Obligor or his heirs or assigns which, if unpaid, might become a lien, charge or security interest on or with respect to any of his Boxcars or his Management Agreement, and will promptly discharge any such lien, charge or security interest which arises, but shall not be required to pay or discharge any such claim so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner and the non-payment thereof does not, in the opinion of Merchants,

adversely affect the security interests of Merchants in or to the Boxcars or the Management Agreements or otherwise affect Merchants' rights under this Agreement. Any amounts paid by Merchants in discharge of liens, charges or security interests upon the Boxcars or Management Agreements shall be secured by and under this Agreement and shall be repayable by the Obligor upon demand.

12. Defaults

(a) With respect to each Obligor, in the event that any one or more of the following events of default shall occur and be continuing, to wit:

(i) Any Event of Default as defined under such Obligor's Security Agreement or Note or

(ii) Such Obligor shall, for more than ten days after he shall have received written demand for performance thereof, fail or refuse to comply with any other covenant, agreement, term or provision of this Agreement or of any agreement entered into concurrently herewith relating to the financing or refinancing of the Boxcars on his part to be kept and performed or to make provisions satisfactory to Merchants for such compliance or

(iii) Any material representation or warranty of such Obligor in this Agreement or in any of the other documents executed in connection with this Agreement shall prove to be incorrect in any material respect on the date as of which made or

(iv) Any proceeding shall be commenced by or against such Obligor for any relief under any bankruptcy or insolvency laws or laws relating to the relief of debtors, readjustment of indebtedness, reorganizations, arrangements,

compositions or extensions, and the earlier of the following shall occur (A) such proceedings shall not have been dismissed, nullified, stayed or otherwise rendered ineffective within sixty (60) days after such proceedings shall have been commenced (but then only so long as such stay shall continue in force or such ineffectiveness shall continue) or (B) all the obligations of such Obligor under this Agreement shall not have been duly assumed in writing pursuant to a court order or decree by a trustee or trustees or receiver or receivers appointed (whether or not subject to ratification) for such Obligor or for their respective property in connection with any such proceedings, within thirty (30) days after such appointments and in such manner that such obligations shall have the same status as obligations incurred by such trustee or trustees or receiver or receivers,

then, at any time after the occurrence of such an event of default, Merchants may declare (a "Declaration of Default") the entire unpaid balance of such Obligor's Note together with the interest thereon then accrued and unpaid immediately due and payable without further demand. Upon a Declaration of Default, Merchants shall be entitled to recover judgment for the entire unpaid balance of the Note, with interest, as aforesaid, and all costs and expenses payable hereunder together with all costs and expenses of collection (including reasonable attorneys fees) and all costs and expenses of foreclosing upon and storing any Boxcar, and Merchants shall be entitled to collect such judgment out of assets of such Obligor represented by the Boxcar and the Management Agreement and any income or proceeds derived from the Boxcar and the Management Agreement, and shall additionally be entitled to collect such judgment out of any and all other assets

of such Obligor. Such Obligor shall pay on demand all reasonable out-of-pocket collection, foreclosure and storage costs and expenses incurred by or on behalf of Merchants. Such Obligor shall promptly notify Merchants of any event which has come to its attention which constitutes or, with the giving or notice and/or lapse of time, could constitute an event of default under this Agreement.

(b) Merchants may, at its election waive any such event of default and its consequences and rescind and annul any Declaration of Default by notice to such Obligor in writing to that effect and, thereupon, the respective rights of the parties shall be as they would have been if no such event of default had occurred and no Declaration of Default had been made or given. Notwithstanding the provisions of this paragraph, it is expressly understood and agreed by each Obligor that time is of the essence of this Agreement and that no such waiver, rescission or annulment shall extend to or affect any other or subsequent default or impair any rights or remedies consequent thereon.

(c) An event of default with respect to one of the Obligors shall not be an event of default with respect to any other Obligor.

13. Remedies

(a) At any time during the continuance of a Declaration of Default with respect to an Obligor, Merchants may, in compliance with any mandatory legal requirements then in force and applicable to the action to be taken by Merchants, take or cause to be taken by its agent or agents immediate possession of his Boxcars or one or more of the units thereof without liability to return to him any sums theretofore paid and free from all claims whatsoever, except as hereinafter in this section expressly provided, and may remove the same from possession and use of such Obligor, any other lessee, sublessee or any other person and for such purpose may enter upon the premises of such Obligor or any other premises where the Boxcar may be located and may use and employ in connection with such removal any supplies, services and aids and any available trackage and other facilities or means of such Obligor.

(b) At any time during the Declaration of Default with respect to an Obligor, Merchants may also demand possession of the Boxcar and, in the event of any such demand pursuant to this Agreement, Merchants shall designate a reasonable point or points on the lines or premises of any lines of railroad or other premises approved by Merchants for the delivery of the Boxcars to Merchants, and such Obligor shall, at its own expense, forthwith

and in the usual manner, cause Boxcars to be moved to such point or points and shall there deliver Boxcars to be moved to such point or points and shall there deliver Boxcars or cause them to be delivered to Merchants. Such Obligor agrees either to provide the facilities necessary for such storage or to pay all costs and expenses of such storage, and that such storage shall be at no cost or expense to Merchants.

(c) This Agreement to deliver the Boxcars and furnish facilities as hereinbefore provided is of the essence of the agreement between the parties and, upon application to any court of equity having jurisdiction in the premises, Merchants shall be entitled to a decree against each defaulting Obligor requiring specific performance hereof. Each Obligor hereby expressly waives any and all claims against Merchants and its agent or agents for damages of whatever nature in connection with any taking of any Boxcar in any reasonable manner.

(d) At any time during the continuance of a Declaration of Default with respect to an Obligor, Merchants, with or without retaking possession thereof, at its election and upon reasonable notice to such Obligor and any other persons to whom the law may require notice of the time and place, may sell the Boxcars or one or more of the units thereof, free from any and all claims of such Obligor or any other party claiming from, through or under

such Obligor at law or in equity, at public or private sale and with or without advertisement as Merchants may determine; provided, however, that, if prior to such sale and prior to the making of a contract for such sale such Obligor should tender full payment of the total unpaid balance of his Note together with interest thereon accrued and unpaid and all other payments due under this Agreement as well as expenses of Merchants in retaking possession of, removing, storing, holding and preparing the Boxcars for and otherwise arranging for the sale and the Merchants' reasonable attorneys fees, then, in such event, absolute right to the possession of, title to and property in the Boxcars shall pass to and vest in such Obligor. The proceeds of such sale or other disposition, less the reasonable attorneys fees and any other expenses incurred by Merchants in retaking possession of, removing, storing, holding, preparing for sale and selling or otherwise disposing of the Boxcars shall be credited on the amount due to Merchants under the provisions of this Agreement and the excess, if any, shall be applied in accordance with paragraph (g) below.

(e) Any sale under this Section 13 may be held or conducted at such time or times as Merchants may specify, in one lot and as an entirety or in separate lots and without the necessity of gathering at the place of sale the property to be sold and, in

general, in such manner as Merchants may determine, so long as such sale shall be in a commercially reasonable manner. The Obligor whose Boxcars are to be sold shall be given written notice of such sale not less than ten days prior thereto, by telegram or registered mail addressed as provided in Section 19. If such sale shall be a private sale, it shall be subject to the right of such Obligor to purchase or provide a purchaser, within ten days after notice of the proposed sale price, at the same price offered by the intending purchaser or a better price. Merchants or such Obligor may bid for and become the purchaser of the Boxcars or any unit thereof so offered for sale. In the event that Merchants shall be the purchaser thereof, it shall not be accountable to such Obligor (except to the extent of surplus money received as hereinafter provided in this section) and in payment of the purchase price therefor Merchants shall be entitled to have credited on account thereof all sums due to Merchants hereunder.

(f) Each and every power and remedy hereby specifically given to Merchants shall be in addition to every other power and remedy herein or in the Note or Security Agreements specifically given or now or hereafter existing at law or in equity, and each and every power and remedy may be exercised from time to time and simultaneously and as often and in such order as may be deemed

expedient by Merchants. All such powers and remedies shall be cumulative and the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission of Merchants in the exercise of any such power or remedy and no renewal or extension of any payments due hereunder shall impair any such power or remedy or shall be construed to be a waiver of any default or an acquiescence therein. Any extension of time for payment hereunder or other indulgence duly granted to an Obligor shall not otherwise alter or affect Merchants' rights or any Obligor's obligations hereunder. Merchants' acceptance of any payment after it shall have become due hereunder shall not be deemed to alter or affect such Obligor's obligations or Merchants' rights hereunder with respect to any subsequent payments or default therein with respect to any Obligor.

(g) If, after applying all sums of money realized by Merchants under the remedies herein provided, there shall remain any amount due to it under the provisions of this Agreement, the Obligor shall pay the amount of such deficiency upon demand and, if he shall fail to pay such amount, Merchants may bring suit therefor and shall be entitled to recover a judgment therefor against him and collect, upon said judgment, from any and all of his assets in the same manner as any other of his general obligators. If, after applying as aforesaid all sums realized by

Merchants, there shall remain a surplus in the possession of Merchants, such surplus shall be paid to such Obligor to the extent of his interest therein.

(h) Each Obligor will pay all reasonable expenses, including attorneys fees, incurred by Merchants in enforcing its remedies under the terms of this Agreement, his Note, his Security Agreement, his Management Agreement or his Warranty Letter. In the event that Merchants shall bring any suit to enforce any of its rights hereunder and shall be entitled to judgment, then, in such suit, Merchants may recover reasonable expenses, including reasonable attorneys fees, and the amount thereof shall be included in such judgment and shall be collectible from all assets of the Obligor.

14. Applicable State Laws

(a) Any provision of this Agreement prohibited by any applicable law of any jurisdiction (which is not overridden by applicable Federal law) shall as to such jurisdiction be ineffective without modifying the remaining provisions of this Agreement.

(b) Except as otherwise provided in this Agreement, the Obligors, to the full extent permitted by law, hereby waive all statutory or other legal requirements for any notice of any

kind, notice of intention to take possession of or to sell or lease the Boxcars or any one or more units thereof, and any other requirements as to the time, place and terms of the sale or lease thereof, any other requirements with respect to the enforcement of the Merchants' rights under this Agreement and any and all rights of redemption.

15. Recording

The Obligors have caused the Security Agreements and assignments thereof to Merchants to be filed and recorded in accordance with Section 11,303 of the Interstate Commerce Act; the Obligors will also cause any financing statement with respect to the Security Agreements and such assignment to be filed and recorded in the form and manner required by law in all offices and places necessary to perfect the lien on and security interest in the Boxcars and Management Agreements; and the Obligors will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register, deposit and record any and all further information required by law or reasonably requested by Merchants for the purpose of proper protection, to the satisfaction of counsel for Merchants, of its title to and security interest in the Boxcars, its security interest in the Management Agreements and its rights under this Agreement or for

the purpose of carrying out the intention of this Agreement. The Obligors will promptly furnish to Merchants certificates or other evidence of such filing, registering, depositing and recording satisfactory to Merchants.

16. Payment of Expenses

NRUC will pay all reasonable costs and expenses of Merchants incident to this Agreement and any instrument supplemental or related to this Agreement, including all filing fees and fees and expenses of counsel for Merchants.

17. Survival of Representations, Warranties and Covenants

All representations, warranties and covenants made herein shall survive until all of the Notes and accrued interest thereon have been paid in full.

18. Section Headings; Section References; Effect and Modification of Agreement

(a) All section headings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement. References to "Sections" mean sections of this Agreement.

(b) This Agreement, the Notes, the Security Agreements, the Management Agreements, and the Warranty Letters, exclusively and

completely, state the rights of Merchants, Obligors and NRUC with respect to the Boxcars and supersede all other agreements, oral or written, with respect to the Boxcars. No variation or modification of this Agreement and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized representatives of Merchants, the Obligors and NRUC.

19. Notice

Any notice under this Agreement to any of the parties designated below shall be deemed to be properly served if delivered or mailed in the United States by certified or registered mail to it at its chief place of business at the following specified addresses:

(a) To each Obligor at his address on Exhibit 1 hereto.

(b) To Merchants at:

New England Merchants National Bank
28 State Street
Boston, Massachusetts 02109

Attention of Mr. Richard Crosby

(c) To NRUC at:

National Railway Utilization Corporation
1100 Centre Square East
1500 Market Street
Philadelphia, Pennsylvania 19102

Attention: Contract Administrator

or at such other address as may have been furnished in writing by such party to the other parties to this Agreement.

20. Assignments.

(a) Until his Note and accrued interest thereon has been paid in full, no Obligor may sell, assign or otherwise transfer the title to or any right or interest in any Boxcar without the written consent of Merchants which shall not be unnecessarily withheld.

(b) All or any of the rights, benefits and advantages of Merchants under this Agreement, the Notes, the Security Agreements, the Management Agreements and the Warranty Letters may be assigned by Merchants and reassigned by any assignee at any time or from time to time. No such assignment shall subject any assignee to, or relieve any Obligor from, any of the obligations of any Obligor under any such agreement or Warranty Letter.

(c) Upon any such assignment, either the assignor or the assignee shall give written notice to the Obligor and his agent under a related Agency Agreement with Merchants dated as of June 11, 1979, together with a counterpart or copy of such assignment, stating the identity and post office address of the assignee, and such assignee shall, by virtue of such assignment, acquire all the assignor's right, title and interest in and to this

Agreement, the Notes, the Security Agreements, the Management Agreements and the Warranty Letters, or in and to a portion thereof, as the case may be, subject only to such reservations as may be contained in such assignment. From and after the receipt by an Obligor of the notification of any such assignment, all payments thereafter to be made by such Obligor under this Agreement, his Note or his Security Agreement shall, to the extent so assigned, be made to the assignee in such manner as it may direct.

21. Law Governing

The terms of this Agreement and all rights and obligations hereunder shall be governed by the laws of the Commonwealth of Massachusetts; provided, however, that the parties shall be entitled to all rights conferred by Section 11,303 of the Interstate Commerce Act and such additional rights arising out of the filing, recording or deposit hereof, if any, and of any assignment hereof as shall be conferred by the laws of the several jurisdictions in which this Agreement or any assignment hereof shall be filed, recorded or deposited.

22. Execution

This Agreement may be executed in any number of counterparts numbered consecutively in ascending order, each of which

so executed shall be deemed to be an original and such counterparts together shall constitute but one and the same contract, which shall be sufficiently evidenced by any such original counterpart, but only the counterpart that is labeled "Counterpart No. 1" shall be deemed to be the original for purposes of perfection of a security interest and shall be the only counterpart which may be transferred and given to transfer the rights of Merchants hereunder. Although this Agreement is dated as of the date first written above, for convenience, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgements hereto annexed.

IN WITNESS WHEREOF, the parties hereto have executed or caused this instrument to be executed all as of the date first written above.

NATIONAL RAILWAY UTILIZATION
CORPORATION

NEW ENGLAND MERCHANTS
NATIONAL BANK

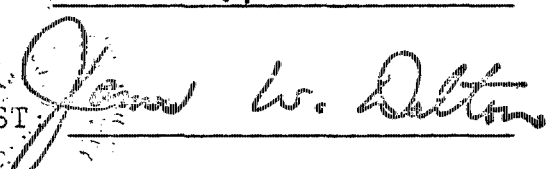
By: 

Title: Vice-President

By: 

Title: VP

SEAL

ATTEST 

Commonwealth of Massachusetts)

County of Suffolk)

I HEREBY CERTIFY that on this 28 day of June, 1979, before the subscriber, a Notary Public in and for said Commonwealth and County, personally appeared RICHARD A. CROSBY who, being by me duly sworn, says that he is

of NEW ENGLAND MERCHANTS NATIONAL BANK, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal, this 28 day of June, 1979.

[Notarial Seal]

Linda E. Fiske
Notary Public

My commission expires: _____

STATE OF SOUTH CAROLINA)
) ss.
County of Greenville)

I HEREBY CERTIFY that on the 28 day of June, 1979, before the subscriber, a Notary Public in and for said State and County, personally appeared Ronald K. Gooding who being by me duly sworn says that he is Vice-President of NATIONAL RAILWAY UTILIZATION CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this 28 day of June, 1979.

[Notarial Seal]

Carl Andrew Miller
Notary Public

My commission expires: 01/11/88

OBLIGOR:

Charles F. Teubke
As Attorney in Fact
for JOHN H. REES

STATE OF *Pennsylvania*)
COUNTY OF *Philadelphia*)

I HEREBY CERTIFY that on the 28 day of June, 1979,
before the subscriber, a Notary Public in and for said State
and County, personally appeared JOHN H. REES *by Charles F. Teubke*
who, being by me duly sworn, says that the execution of the
foregoing instrument was his free act and deed.

[Notarial Seal]

Elsie Marlene Williams
Notary Public

My commission expires

ELSIE MARLENE WILLIAMS
Notary Public, Phila., Phila. Co.
My Commission Expires Oct. 18, 1982

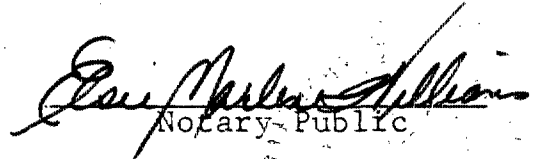
OBLIGOR:


JOHN A. MARISCOTTI

STATE OF *Pennsylvania*)
COUNTY OF *Philadelphia*)

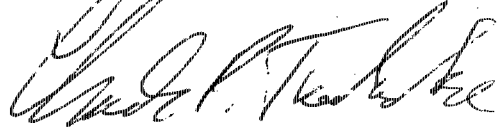
I HEREBY CERTIFY that on the 28 day of June, 1979,
before the subscriber, a Notary Public in and for said State
and County, personally appeared JOHN A. MARISCOTTI
who, being by me duly sworn, says that the execution of the
foregoing instrument was his free act and deed.

[Notarial Seal]


Notary Public
My commission expires _____

ELSIE MARLENE WILLIAMS
Notary Public, Phila., Phila. Co.
My Commission Expires Oct. 18, 1982

OBLIGOR:



CHARLES P. TURNBURKE

STATE OF *Pennsylvania*)
COUNTY OF *Philadelphia*)

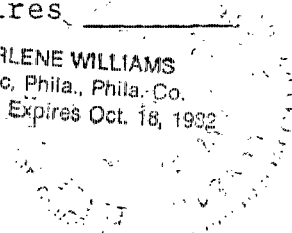
I HEREBY CERTIFY that on the 28 day of June, 1979,
before the subscriber, a Notary Public in and for said State
and County, personally appeared CHARLES P. TURNBURKE
who, being by me duly sworn, says that the execution of the
foregoing instrument was his free act and deed.

[Notarial Seal]


Notary Public

My commission expires _____

ELSIE MARLENE WILLIAMS
Notary Public, Phila., Phila. Co.
My Commission Expires Oct. 18, 1982



OBLIGOR:

William W. Kehl
by Henry L. Parr, Jr. att in fact

WILLIAM W. KEHL

STATE OF *South Carolina*)
COUNTY OF *Greenville*)

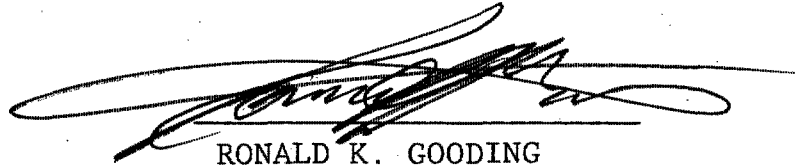
I HEREBY CERTIFY that on the 28 day of June, 1979,
before the subscriber, a Notary Public in and for said State
and County, personally appeared WILLIAM W. KEHL
who, being by me duly sworn, says that the execution of the
foregoing instrument was his free act and deed.

B. J. Wright, as attorney-in-fact for
Henry L. Parr, Jr.
Cynthia H. Bironetti
Notary Public

[Notarial Seal]

My commission expires 4/25/85

OBLIGOR:



RONALD K. GOODING

STATE OF *South Carolina*
COUNTY OF *Greenville*)

I HEREBY CERTIFY that on the 28 day of June, 1979,
before the subscriber, a Notary Public in and for said State
and County, personally appeared RONALD K. GOODING
who, being by me duly sworn, says that the execution of the
foregoing instrument was his free act and deed.

Crystal H. Giovanetti
Notary Public

[Notarial Seal]


My commission expires 4/25/85

OBLIGOR:


C. T. WYCHE

STATE OF *South Carolina*)
COUNTY OF *Greenville*)

I HEREBY CERTIFY that on the 28 day of June, 1979,
before the subscriber, a Notary Public in and for said State
and County, personally appeared C. T. WYCHE
who, being by me duly sworn, says that the execution of the
foregoing instrument was his free act and deed.


Notary Public

[Notarial Seal]

My commission expires 4/25/85

OBLIGOR:

Mr. Buck Mickel
BUCK ALSTON MICKEL

STATE OF South Carolina
COUNTY OF Greenville)

I HEREBY CERTIFY that on the 28 day of June, 1979,
before the subscriber, a Notary Public in and for said State
and County, personally appeared BUCK ALSTON MICKEL
who, being by me duly sworn, says that the execution of the
foregoing instrument was his free act and deed.

Mrs. Buck Mickel, as Attorney-in-Fact for

Crystal H. Giovanetti
Notary Public

[Notarial Seal]

My commission expires 4/25/85

OBLIGOR:

Carl Frederick Muller
BUCK MICKEL *as attorney-in-fact*
for
B. & M. Mickel

STATE OF *South Carolina*)
COUNTY OF *Greenville*)

I HEREBY CERTIFY that on the 28 day of June, 1979,
before the subscriber, a Notary Public in and for said State
and County, personally appeared BUCK MICKEL
who, being by me duly sworn, says that the execution of the
foregoing instrument was his free act and deed.

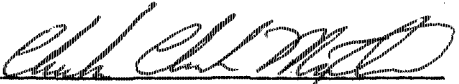
Carl Frederick Muller, as attorney-in-fact
for

Crystal L. Giovanetti
Notary Public

[Notarial Seal]

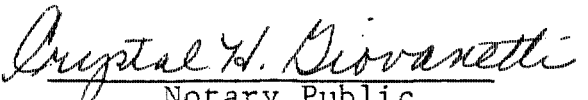
My commission expires 4/25/85

OBLIGOR:


Charles Clark Mickel

STATE OF *South Carolina*)
COUNTY OF *Greenville*)

I HEREBY CERTIFY that on the 28 day of June, 1979,
before the subscriber, a Notary Public in and for said State
and County, personally appeared Charles Clark Mickel
who, being by me duly sworn, says that the execution of the
foregoing instrument was his free act and deed.


Notary Public

[Notarial Seal]

My commission expires 4/25/85

OBLIGOR:

Harold Shaw
Minor Mickel Shaw
HAROLD AND MINOR MICKEL SHAW

STATE OF *South Carolina*)
COUNTY OF *Greenville*)

I HEREBY CERTIFY that on the 28 day of June, 1979,
before the subscriber, a Notary Public in and for said State
and County, personally appeared HAROLD AND MINOR MICKEL SHAW
who, being by me duly sworn, says that the execution of the
foregoing instrument was his free act and deed.

Crystal H. Giovanetti
Notary Public

[Notarial Seal]

My commission expires 4/25/85

OBLIGOR:

D. F. King
D. F. KING

STATE OF *South Carolina*)
COUNTY OF *Greenville*)

I HEREBY CERTIFY that on the 28 day of June, 1979,
before the subscriber, a Notary Public in and for said State
and County, personally appeared D. F. KING
who, being by me duly sworn, says that the execution of the
foregoing instrument was his free act and deed.

Crystal H. Giovanetti
Notary Public

[Notarial Seal]

My commission expires *4/25/85*

OBLIGOR:

Francis M. Hipp
FRANCIS M. HIPPI

STATE OF *South Carolina*)
COUNTY OF *Greenville*)

I HEREBY CERTIFY that on the 28 day of June, 1979,
before the subscriber, a Notary Public in and for said State
and County, personally appeared FRANCIS M. HIPPI
who, being by me duly sworn, says that the execution of the
foregoing instrument was his free act and deed.

Crystal H. Bionanetti
Notary Public

[Notarial Seal]

My commission expires *4/25/85*

OBLIGOR:

Greg W. Rothe
GREG W. ROTHE

STATE OF *South Carolina*)
COUNTY OF *Greenville*)

I HEREBY CERTIFY that on the 28 day of June, 1979,
before the subscriber, a Notary Public in and for said State
and County, personally appeared GREG W. ROTHE
who, being by me duly sworn, says that the execution of the
foregoing instrument was his free act and deed.

Crystal H. Giovanetti
Notary Public

[Notarial Seal]

My commission expires *4/25/85*

OBLIGOR:

David L. Freeman
DAVID L. FREEMAN

STATE OF South Carolina)
COUNTY OF Greenville)

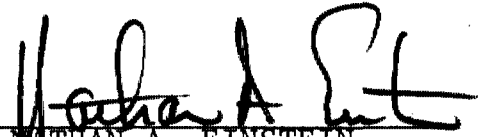
I HEREBY CERTIFY that on the 28 day of June, 1979,
before the subscriber, a Notary Public in and for said State
and County, personally appeared DAVID L. FREEMAN
who, being by me duly sworn, says that the execution of the
foregoing instrument was his free act and deed.

Crystal H. Giovanetti
Notary Public

[Notarial Seal]

My commission expires 4/25/85

OBLIGOR:


NATHAN A. EINSTEIN

STATE OF *South Carolina*)
COUNTY OF *Greenville*)

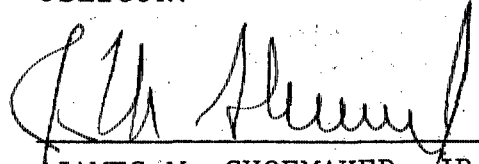
I HEREBY CERTIFY that on the 28 day of June, 1979,
before the subscriber, a Notary Public in and for said State
and County, personally appeared NATHAN A. EINSTEIN
who, being by me duly sworn, says that the execution of the
foregoing instrument was his free act and deed.


Notary Public

[Notarial Seal]

My commission expires 4/25/85

OBLIGOR:


JAMES M. SHOEMAKER, JR.

STATE OF *South Carolina*)
COUNTY OF *Greenville*)

I HEREBY CERTIFY that on the 28 day of June, 1979,
before the subscriber, a Notary Public in and for said State
and County, personally appeared JAMES M. SHOEMAKER, JR.
who, being by me duly sworn, says that the execution of the
foregoing instrument was his free act and deed.


Notary Public

[Notarial Seal]

My commission expires 4/25/85

OBLIGOR:

Andrew P. Goldstein

ANDREW P. GOLDSTEIN

STATE OF)
Washington, DC)
COUNTY OF)

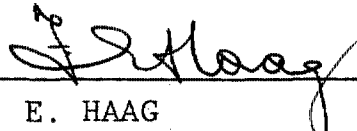
I HEREBY CERTIFY that on the 28 day of June, 1979,
before the subscriber, a Notary Public in and for said State
and County, personally appeared ANDREW P. GOLDSTEIN
who, being by me duly sworn, says that the execution of the
foregoing instrument was his free act and deed.

Richard K. Benson
Notary Public

[Notarial Seal]

My commission expires May 31, 1982 -

OBLIGOR:


F. E. HAAG

STATE OF *South Carolina*)
COUNTY OF *Greenville*)

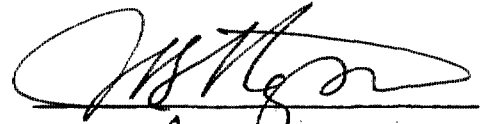
I HEREBY CERTIFY that on the 28 day of June, 1979,
before the subscriber, a Notary Public in and for said State
and County, personally appeared F. E. HAAG
who, being by me duly sworn, says that the execution of the
foregoing instrument was his free act and deed.


Notary Public

[Notarial Seal]

My commission expires 4/25/85

OBLIGOR:


J. B. Stephens

STATE OF *South Carolina*)
COUNTY OF *Greenville*)

I HEREBY CERTIFY that on the 28 day of June, 1979,
before the subscriber, a Notary Public in and for said State
and County, personally appeared J. B. Stephens
who, being by me duly sworn, says that the execution of the
foregoing instrument was his free act and deed.


Notary Public

[Notarial Seal]

My commission expires 4/25/85

OBLIGOR:

Hugh C. Lane
by ~~_____~~ atty-in-fact
Hugh C. Lane

STATE OF *South Carolina*)
COUNTY OF *Greenville*)

I HEREBY CERTIFY that on the 28 day of June, 1979,
before the subscriber, a Notary Public in and for said State
and County, personally appeared Hugh C. Lane
who, being by me duly sworn, says that the execution of the
foregoing instrument was his free act and deed.

C. J. Wyche, as atty-in-fact for
Cynthia L. Giovanetti
Notary Public

[Notarial Seal]

My commission expires 4/25/85

OBLIGOR:

Hugh C. Lane, Jr.
by C. J. Wyche atty-in-fact
Hugh C. Lane, Jr.

STATE OF *South Carolina*)
COUNTY OF *Greenville*)

I HEREBY CERTIFY that on the 28 day of June, 1979,
before the subscriber, a Notary Public in and for said State
and County, personally appeared Hugh C. Lane, Jr.
who, being by me duly sworn, says that the execution of the
foregoing instrument was his free act and deed.

C. J. Wyche, as atty-in-fact for

Crystal H. Diwanetti
Notary Public

[Notarial Seal]

My commission expires 4/25/85

OBLIGOR:

Woodrow B. Moats, Jr.
for Woodrow B. Moats, Jr.

STATE OF *Pennsylvania*)
COUNTY OF *Philadelphia*)

I HEREBY CERTIFY that on the 28 day of June, 1979,
before the subscriber, a Notary Public in and for said State
and County, personally appeared Woodrow B. Moats, Jr. *Charles P. Turnlake*
who, being by me duly sworn, says that the execution of the *as Attorney-in-Fact*
foregoing instrument was his free act and deed.

[Notarial Seal]

Elsie Marlene Williams
Notary Public

My commission expires _____

ELSIE MARLENE WILLIAMS
Notary Public, Phila., Phila. Co.
My Commission Expires Oct. 18, 1982

OBLIGOR:

Robert L. Shiner, Jr.
Robert L. Shiner, Jr.
for Robert L. Shiner, Jr.

STATE OF *Pennsylvania*)
COUNTY OF *Philadelphia*)

I HEREBY CERTIFY that on the 28 day of June, 1979,
before the subscriber, a Notary Public in and for said State
and County, personally appeared Robert L. Shiner, Jr., *by Charles P. Shankle*
who, being by me duly sworn, says that the execution of the *his attorney's act*
foregoing instrument was his free act and deed.

Elsie Marlene Williams
Notary Public

[Notarial Seal]

My commission expires _____

ELSIE MARLENE WILLIAMS
Notary Public, Phila., Phila. Co.
My Commission Expires Oct. 13, 1982

OBLIGOR:

Virginia Darmstadter
Virginia Darmstadter

STATE OF Washington D.C.
COUNTY OF District of Columbia

I HEREBY CERTIFY that on the 28 day of June, 1979,
before the subscriber, a Notary Public in and for said State
and County, personally appeared Virginia Darmstadter
who, being by me duly sworn, says that the execution of the
foregoing instrument was his free act and deed.

Richard R. Brown
Notary Public

[Notarial Seal]

My commission expires May 31, 1982

OBLIGOR:

Charles J. Turbucke
as attorney in fact
for Richard J. Kelly

STATE OF *Pennsylvania*)
COUNTY OF *Philadelphia*)

I HEREBY CERTIFY that on the 28 day of June, 1979,
before the subscriber, a Notary Public in and for said State
and County, personally appeared Richard J. Kelly *by Charles J. Turbucke*
who, being by me duly sworn, says that the execution of the *as attorney*
foregoing instrument was his free act and deed. *in fact*

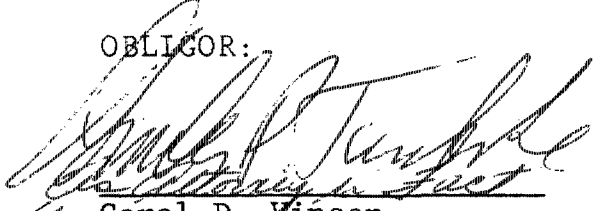
[Notarial Seal]

Elsie Marlene Williams
Notary Public

My commission expires _____

ELSIE MARLENE WILLIAMS
Notary Public, Phila., Phila. Co.
My Commission Expires Oct. 18, 1982

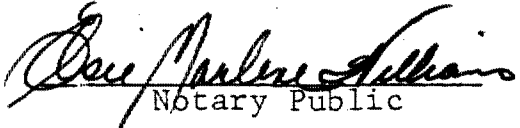
OBLIGOR:


for Carol D. Vinson

STATE OF *Pennsylvania*)
COUNTY OF *Philadelphia*)

I HEREBY CERTIFY that on the 28 day of June, 1979,
before the subscriber, a Notary Public in and for said State
and County, personally appeared Carol D. Vinson *by Charles D. Vinson*
who, being by me duly sworn, says that the execution of the
foregoing instrument was his free act and deed.

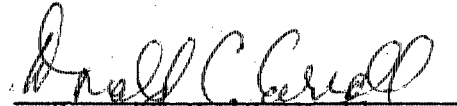
[Notarial Seal]


Notary Public

My commission expires _____

ELSIE MARLENE WILLIAMS
Notary Public, Phila., Phila. Co.
My Commission Expires Oct. 18, 1982

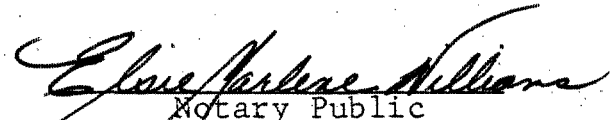
OBLIGOR:


Donald C. Carroll

STATE OF *Pennsylvania*)
COUNTY OF *Philadelphia*)

I HEREBY CERTIFY that on the 28 day of June, 1979,
before the subscriber, a Notary Public in and for said State
and County, personally appeared Donald C. Carroll
who, being by me duly sworn, says that the execution of the
foregoing instrument was his free act and deed.

[Notarial Seal]


Notary Public

My commission expires _____

ELSIE MARLENE WILLIAMS
Notary Public, Phila., Phila. Co.
My Commission Expires Oct. 18, 1982

EXHIBIT 1

<u>NAME</u>	<u>NUMBERS OF BOXCARS</u>	<u>AMOUNT</u>
John H. Rees 190 Upper Mountain Avenue Montclair, New Jersey 07042	PT 201199 - PT 201208	10
John A. Mariscotti Apartment S-202 Oak Hill Estates Hagy's Ford Road North Penn Valley, Pa. 19312	PT 201209 - PT 201218	10
Charles P. Turnburke 265 Keller Road Berwyn, Pa. 19312	PT 201219 - PT 201237	19
William W. Kehl 7 Seven Oaks Drive Greenville, S. C. 29605	PT 201238 - PT 201239	2
Ronald K. Gooding 110 Stone Hedge Drive Greenville, S. C. 29615	PT 201240 - PT 201244	5
C. T. Wyche 1140 Parkins Mill Road Greenville, S. C. 29607	PT 201245 - PT 201247	3
Buck Alston Mickel 415 Crescent Avenue Greenville, S. C. 29605	PT 201248	1
Buck Mickel 415 Crescent Avenue Greenville, S. C. 29605	NSL 151452 and PT 201249 - PT 201257	10
Charles Clark Mickel 415 Crescent Avenue Greenville, S. C. 29605	NSL 151453	1
Harold and Minor Mickel Shaw 415 Crescent Avenue Greenville, S. C. 29605	NSL 151454 - NSL 151456	3
D. F. King 44 Fenwick Lane Greenville, S. C. 29611	NSL 151472	1
Francis M. Hipp P.O. Box 789 Greenville, S. C. 29602	NSL 151473 - NSL 151474	2
Greg Rothe Green Valley Drive Greenville, S. C. 29609	NSL 156115	1

<u>NAME</u>	<u>NUMBERS OF BOXCARS</u>	<u>AMOUNT</u>
David L. Freeman 118 Crescent Avenue Greenville, S. C.	NSL 156116 - NSL 156117	2
Nathan A. Einstein 312 Chantilly Drive Greenville, S. C. 29615	NSL 156118 - NSL 156119	2
James M. Shoemaker, JR. 109 Pineforest Drive Greenville, S. C. 29605	NSL 156120	1
Andrew P. Goldstein 11220 Chestnut Grove Square Reston, Virginia 22090	NSL 156121	1
F. E. Haag 210 Pineforest Drive Greenville, S. C. 29605	NSL 156122 - NSL 156123	2
J. B. Stephens 621 Pelham Road Greenville, S. C. 29607	NSL 156124 and PT 206000 - PT 206004	6
Hugh C. Lane Citizens and Southern National Bank of South Carolina P.O. Box 10608 Charleston, S. C. 29411	PT 206005 - PT 206009	5
Hugh C. Lane, Jr. Citizens and Southern National Bank of South Carolina P.O. Box 10608 Charleston, S. C. 29411	NSL 151450	1
Woodrow B. Moats, Jr. 745 Old State Road Berwyn, Pa. 19312	NSL 151451 and NSL 151457	2
Robert L. Shiner, Jr. 4200 Woodhaven Road Apartment 123 Philadelphia, Pa. 19154	NSL 151458 - NSL 151460	3
Virginia Darmstadter 6546 Mapledale Court Falls Church, Virginia 22041	NSL 151461 - NSL 151462	2
Richard J. Kelly 216 Walnut Hill Lane Havertown, Pa. 19083	NSL 151463 - NSL 151464	2
Carol D. Vinson 34 Salem Way Malvern, Pa. 19355	NSL 151465 - NSL 151467	3
Donald C. Carroll 4100 Gospen Road Newtown Square, Pa.	NSL 151468 - NSL 151471	4

SECURED NOTE

Greenville, S.C., June 11, 1979

FOR VALUE RECEIVED, the undersigned hereby promises to pay to the order of National Railway Utilization Corporation, at its principal offices, Philadelphia, Pennsylvania, the principal sum of Dollars, together with interest from the date hereof on the unpaid principal from time to time outstanding at a fluctuating rate equal to one percent (1%) over the prime rate in effect from time to time at New England Merchants National Bank, provided that such interest rate shall not be less than eleven percent (11%) per annum.

This Note shall be payable as to interest only on January 30, 1980.

Thereafter, this Note shall be payable in 19 equal quarterly installments in the amount of \$1,475.00 each with such payments to be applied first to interest on the unpaid balance and second to such unpaid balance. Such payments of principal and interest shall commence on April 30, 1980 and continue on each July 30, October 30, January 30 and April 30 thereafter through October 30, 1984. The remaining balance of unpaid principal and interest shall be due and payable in full on January 30, 1985.

This Note is secured by a security interest in one or more 70 ton, 50'6" railroad boxcars owned by the undersigned and described in the Security Agreement dated of even date herewith and by a security interest in the rights of the undersigned under that certain Management Agreement relating to those railroad boxcars and existing between the undersigned and National Railway Utilization Corporation dated of even date herewith. Those railroad boxcars are numbered

And Maker hereby agrees that if at any time any portion of said principal or interest shall be past due and unpaid, or upon the occurrence of an event of default under the provisions of any agreement securing this Note, the whole amount evidenced by this Note shall, at the option of the holder thereof, become immediately due, and said holder shall have the right to institute any proceedings upon this Note and any collateral given to secure the same for the purpose of collecting said principal and interest, with costs and expenses, and of protecting any security connected herewith.

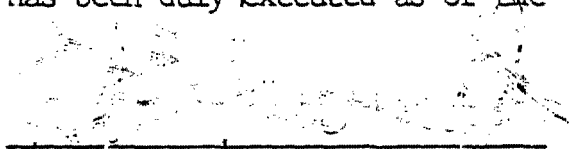
And Maker further agrees hereby that if any part of the money due hereon be not paid when due, or if this Note be placed in the hands of any attorney for collection, or if this debt or any part thereof be collected by an attorney or by legal proceedings of any kind, an attorneys' fee of ten percent (10%) beside all costs and expenses incident upon such collection, shall be added to the amount due upon this Note, and shall be collective as a part hereof.

Both principal and interest are payable in lawful money of the United States of America, at the office of National Railway Utilization Corporation in Philadelphia, Pennsylvania, or at such other place as the holder hereof may, from time to time, designate in writing. Unpaid principal and interest due at maturity shall bear interest at the rate set forth above until paid in full.

This Note replaces and modifies that certain Secured Note given by the undersigned to National Railway Utilization Corporation on June 11, 1979 as partial payment of the purchase price of the railroad boxcar(s) described herein.

The undersigned and National Railway Utilization Corporation hereby agree that this Secured Note shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts.

IN WITNESS WHEREOF, this Note has been duly executed as of the 11th day of June, 1979.



(Debtor)

SECURITY AGREEMENT

THIS SECURITY AGREEMENT dated as of June 11, 1979, (the Security Agreement) is between the undersigned boxcar owner (the Debtor), and National Railway Utilization Corporation, (the Secured Party).

RECITALS:

A. The Debtor has delivered this date to Secured Party his Note dated as of the date hereof in the amount of [REDACTED] 5

The Note bears interest at the rate of 12 percent per annum prior to maturity, and matures on January 30, 1985.

B. The Note and all principal thereof and interest thereon and all additional amounts and other sums at any time due and owing from or required to be paid by the Debtor under the terms of the Note, or any modification thereof or this Security Agreement are hereinafter sometimes referred to as "indebtedness hereby secured".

C. All of the requirements of law relating to the transaction contemplated hereby have been fully complied with and all other acts and things necessary to make this Security Agreement a valid, binding and legal instrument for the security of the Note have been done and performed.

Section 1. GRANT OF SECURITY.

The Debtor in consideration of the premises and of the sum of Ten Dollars received by the Debtor from the Secured Party and other good and valuable consideration, receipt and sufficiency whereof is hereby acknowledged, and in order to secure the payment of the principal of and interest on the Note according to its tenor and effect, and to secure the payment of all other indebtedness hereby secured and the performance and observance of all covenants and conditions in the Note and in this Security Agreement, does hereby convey, warrant, mortgage, pledge, assign, and grant the Secured Party, its successors and assigns, a security interest in, all and singular of the Debtor's right, title and interest in and to the properties, rights, interests and privileges described in Sections 1.1 and 1.2 hereof subject always to the exceptions, reservations and limitations contained in Section 1.4 hereof (all of which properties hereby mortgaged, assigned and pledged or intended so to be are hereinafter collectively referred to as the Collateral).

1.1 Equipment Collateral. Collateral includes the railroad equipment described in Schedule I attached hereto and made a part hereof (collectively, the Equipment and individually, an Item of Equipment) constituting Equipment delivered under that certain Management Agreement dated as of the date hereof (the Management Agreement) between the Debtor and the National Railway Utilization Corporation, a South Carolina corporation (NRUC), together with all accessories, equipment, parts and appurtenances appertaining or attached to any of the Equipment, whether now owned or hereafter acquired, except such thereof as remain the property of NRUC under the Management Agreement, together with all the rents, issues, income, profits and avails therefrom.

1.2 Contract Collateral. Collateral also includes all right, title, interest, claims and demands of the Debtor in, to and under the Management Agreement, including all extensions of the term of said Agreement, together with all rights, powers, privileges, options and other benefits of the Debtor under the said Agreement, including, without limitation, but subject always to the exceptions, reservations and limitations contained in Section 1.4 hereof,

(1) the immediate and continuing right to receive and collect all revenues, insurance proceeds, and other payments, tenders and security now or hereafter payable or receivable by the Debtor under said Agreement or pursuant thereto;

(2) the right to make all waivers and agreements and to give and receive duplicate copies of all notices and other instruments or communications; and

(3) the right to take such action upon the occurrence of an Event of Default under said Agreement or an event which with the lapse of time or giving of notice, or both, would constitute an Event of Default under said Agreement, including the commencement, conduct and consummation of legal, administrative or other proceedings, as shall be permitted by the Management Agreement or by law, and to do any and all other things whatsoever which the Debtor is or may be entitled to do under the Management Agreement, it being the intent and purpose hereof that subject always to the exceptions, reservations and limitations contained in Section 1.4 hereof, the assignment and transfer to the Secured Party of said rights, powers, privileges, options and other benefits shall be effective and operative immediately and shall continue in full force and effect, and the Secured Party shall have the right to collect and receive said revenue, insurance proceeds, condemnation awards and other payments for application to the indebtedness hereby secured until such indebtedness has been fully paid and discharged.

1.3 Duration of Security Interest. The Secured Party, its successors and assigns shall have and hold the Collateral forever; provided, always, however, that such security interest is granted upon the express condition that if the Debtor shall pay or cause to be paid all the indebtedness hereby secured and shall observe, keep and perform all the terms and conditions, covenants and agreements herein and in the Note, then these presents and the estate hereby granted and conveyed shall cease and

this Security Agreement shall become null and void; otherwise to remain in full force and effect.

1.4 Excepted Rights in Collateral. There are expressly excepted and reserved from the security interest and operation of this Security Agreement the following described properties, rights, interests and privileges (hereinafter sometimes referred to as the Excepted Rights in Collateral) and nothing herein or in any other agreement contained shall constitute an assignment of the Excepted Rights in Collateral to the Secured Party:

(a) all payments of any indemnity under Section 11B of the Management Agreement which by the terms of said Agreement are payable to the Debtor for its own account; and

(b) any insurance proceeds payable under general public liability policies maintained by NRUC which by the terms of such policies or the terms of said Agreement are payable directly to the Debtor for its own account.

Section 2. COVENANTS AND WARRANTIES OF THE DEBTOR.

The Debtor covenants, warrants and agrees as follows:

2.1 Debtor's Duties. The Debtor agrees:

a. to cause to be carried and maintained all risk physical loss and damage insurance in an amount at least equal to the principal balance due under the note with respect to the Equipment and public liability insurance in an amount not less than \$3,000,000. All such insurance shall name the Secured Party and Owner as additional insureds and loss payees and shall provide that losses thereunder shall be payable to Debtor, NRUC and the Secured Party as their interests may appear;

b. cause each item of Equipment to be kept numbered with the identifying number as set forth in Schedule I hereto and keep and maintain permanently and conspicuously marked by a plate or stencil upon each side of each Item of Equipment in letters not less than one inch in height, the words: "Ownership Subject to Documents Recorded Pursuant to the Interstate Commerce Act" or words similar to those words.

c. cause each Item of Equipment to be maintained and kept in good order, condition and repair so that each item will remain (i) in as good condition as when delivered (ordinary wear and tear excepted) and (ii) in compliance with any applicable laws and regulations.

d. provide the Secured Party a current personal financial statement annually in a form satisfactory to the Secured Party.

2.2 Warranty of Title. The Debtor has the right, power and authority to grant a security interest in the Collateral to the Secured Party for the uses and purposes herein set forth; and the Debtor will warrant and defend the title to the Collateral against all claims and demands of persons claiming by, through or under the Debtor (excepting only the right, title and interest of NRUC under the Management Agreement and of persons claiming by, through or under NRUC). The Debtor also agrees that

it will, in its individual capacity and at its own cost and expense, promptly take such action as may be necessary to duly discharge any liens and encumbrances on the Collateral claimed by any party from, through or under the Debtor or its successors or assigns and which are not related to this Security Agreement, or the transactions contemplated herein.

2.3 Further Assurances. The Debtor will, at no expense to the Secured Party, do, execute, acknowledge and deliver all and every further acts, deeds, conveyances, transfers and assurances necessary or proper for the perfection of the security interest being herein provided for in the Collateral. Without limiting the foregoing but in furtherance of the security interest herein granted in the revenues and other sums due and to become due under the Management Agreement, the Debtor covenants and agrees that it will cause NRUC to be notified of any assignment pursuant to Section 16 of the Management Agreement and direct NRUC to make all payments of such revenues and other sums due and to become due under the Management Agreement, other than the Excepted Rights in Collateral, to New England Merchants National Bank as agent under Agency Agreement dated June 11, 1979, to be held and disbursed as provided therein. Without the prior written consent of Secured Party, Debtor will not transfer for less than full consideration any asset reflected on his personal financial statement in excess of 20 percent (20%) of the total assets shown thereon.

2.4 Recordation and Filing. The Debtor will cause this Security Agreement and any supplements hereto, the Management Agreement and any supplements thereto and all financing and continuation statements and similar notices required by applicable law, at all times to be kept, recorded and filed at no expense to the Secured Party in such manner and in such places as may be required by law in order fully to preserve and protect the rights of the Secured Party hereunder, and will at its own expense furnish to the Secured Party promptly after the execution and delivery of this Security Agreement and of any supplemental Security Agreement an opinion of counsel stating that in the opinion of such counsel this Security Agreement or such supplement, as the case may be, has been properly recorded or filed for record so as to make effective of record the security interest intended to be created hereby.

2.5 Modification of the Management Agreement. The Debtor will not:

(a) declare a default or exercise the remedies of the Debtor under, or terminate or modify or accept a surrender of, or offer or agree to, any termination or modification or surrender of, the Management Agreement or by affirmative act consent to the creation or existence of any security interest or other lien to secure the payment of indebtedness upon the Equipment or Management Agreement or any part thereof; or

(b) receive or collect or permit the receipt or collection of any payment under the Management Agreement prior to the date for payment thereof provided for by the Management Agreement or assign, transfer or hypothecate (other than to the Secured Party hereunder) any revenue payment then due or to accrue in the future under the Management Agreement in respect of the Equipment; or

(c) sell, mortgage, transfer, assign or hypothecate (other than to the Secured Party hereunder) its interest in the Equipment or any part thereof or in any amount to be received by it from the use or disposition of the Equipment.

Section 3. POSSESSION, USE AND RELEASE OF PROPERTY.

3.1 Possession of Collateral. While the Debtor is not in default hereunder it shall be suffered and permitted to remain in full possession, enjoyment and control of the Equipment and to manage, operate and use the same and each part thereof with the rights and franchises appertaining thereto, provided, always that the possession, enjoyment, control and use of the Equipment shall at all times be subject to the observance and performance of the terms of this Security Agreement. It is expressly understood that the use and possession of the Equipment by NRUC under and subject to the Management Agreement shall not constitute a violation of this Section 3.1.

Section 4. DEFAULTS AND OTHER PROVISIONS.

4.1 Events of Default. The term Event of Default shall mean one or more of the following:

(a) Default in payment of an installment of the principal of, or interest on, the Note when and as the same shall become due and payable, whether at the due date thereof or at the date fixed for prepayment or by acceleration or otherwise, and any such default shall continue unremedied for ten days; or

(b) An Event of Default, as defined and set forth in Section 12 of the Management Agreement; or

(c) Default on the part of the Debtor in the due observance or performance of any covenant or agreement to be observed or performed by the Debtor under this Security Agreement and such default shall continue unremedied for thirty days after written notice from the Secured Party to the Debtor specifying the default and demanding the same to be remedied; or

(d) Any representation or warranty on the part of the Debtor made herein or in any report, certificate, financial or other statement furnished in connection with this Security Agreement, the Management Agreement, or the transactions contemplated herein or therein shall prove to be false or misleading in any material respect when made; or

(e) Any claim, lien or charge shall be asserted against or levied or imposed upon the Equipment, and such claim, lien or charge shall not be discharged or removed within thirty days after written notice from the Secured Party or the holder of the Note to the Debtor demanding the discharge or removal thereof.

4.2 Secured Party's Rights. The Debtor agrees that when any Event of Default has occurred and is continuing:

(a) The Secured Party shall have the rights, duties and remedies of a secured party, and the Debtor shall have the rights and duties of a debtor, under the Uniform Commercial Code of the state of Massachusetts (regardless of whether such Code or a law similar thereto has been enacted in a jurisdiction wherein the rights or remedies are asserted);

(b) The Secured Party may, by notice in writing to the Debtor declare the entire unpaid balance of the Notes to be immediately due and payable; and thereupon all such unpaid balance, together with all accrued interest thereon, shall be and become immediately due and payable.

(c) The Secured Party personally or by agents or attorneys, shall have the right (subject to compliance with any applicable mandatory legal requirements) to take immediate possession of the Collateral, or any portion thereof, and for that purpose may pursue the same wherever it may be found, and may enter any of the premises of the Debtor, with or without notice, demand, process of law or legal procedure, if this can be done without breach of the peace, and search for, take possession of, remove, keep and store the Collateral, or use and operate or lease the Collateral until sold;

(d) The Secured Party may, if at the time such action may be lawful (subject to compliance with any mandatory legal requirements) either with or without taking possession and either before or after taking possession, and without instituting any legal proceedings whatsoever, and having first given notice of such sale by registered mail to the Debtor at least ten days prior to the date of such sale, and any other notice which may be required by law, sell and dispose of said Collateral, or any part thereof, at public or private sale, in one lot as an entirety or in separate lots, and either for cash or on credit and on such terms as the Secured Party may determine, and at any place (whether or not it be the location of Collateral or any part thereof) designated in the notice above referred to; provided; however, that any such sale should be held in a commercially reasonable manner.

(e) The Secured Party may proceed to protect and enforce this Security Agreement and the Note by suit or suits or proceedings in equity, at law or in bankruptcy, and whether for the specific performance of any covenant or agreement herein contained or in execution or aid of any power herein granted; or for foreclosure hereunder, or for the appointment of a receiver or receivers for the Collateral or any part thereof, for the recovery of judgment for the indebtedness hereby secured or for the enforcement of any other proper, legal or equitable remedy available under applicable law; and

(f) Subject always to the then existing rights, if any, of NRUC under the Management Agreement, the Secured Party may proceed to exercise all rights, privileges and remedies of the Debtor under the Management Agreement, and may exercise all such rights and remedies either in the name of the Secured Party or in the name of the Debtor for the use and benefit of the Secured Party.

4.3 Acceleration Clause. In case of any sale of the Collateral, or of any part thereof, pursuant to any judgment or decree of any court or otherwise in connection with the enforcement of any of the terms of this Security Agreement, the principal of the Note, if not previously due, and the interest accrued thereon, shall at once become and be immediately due and payable; also in the case of any such sale, the purchaser or purchasers, for the purpose of making settlement for or payment of the purchase

price, shall be entitled to turn in and use the Note and any claims for interest matured and unpaid thereon, in order that there may be credited as paid on the purchase price the sum apportionable and applicable to the Note including principal and interest thereof out of the net proceeds of such sale after allowing for the proportion of the total purchase price required to be paid in actual cash.

4.4 Waiver by Debtor. To the extent permitted by law, the Debtor covenants that it will not at any time insist upon or plead, or in any manner whatever claim or take any benefit or advantage of, any stay or extension law now or at any time hereafter in force, nor claim, take, nor insist upon any benefit or advantage of or from any law now or hereafter in force providing for the valuation or appraisal of the Collateral or any part thereof, prior to any sale or sales thereon to be made pursuant to any provision herein contained, or to the decree, judgment or order of any court of competent jurisdiction; nor, after such sale or sales, claim or exercise any right under any statute now or hereafter made or enacted by any state or otherwise to redeem the property so sold or any part thereof, and, to the full extent legally permitted, hereby expressly waives for itself and on behalf of each and every person, except decree or judgment creditors of the Debtor acquiring any interest in or title to the Collateral or any part thereof subsequent to the date of this Security Agreement, all benefit and advantage of any such law or laws, and covenants that it will not invoke or utilize any such law or laws or otherwise hinder, delay or impede the execution of any power herein granted and delegated to the Secured Party, but will suffer and permit the execution of every such power as though no such power, law or laws had been made or enacted.

4.5 Effect of Sale. Any sale, whether under any power of sale hereby given or by virtue of judicial proceedings, shall operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of the Debtor in and to the property sold and shall be a perpetual bar, both at law and in equity, against the Debtor, its successors and assigns, and against any and all persons claiming the property sold or any part thereof under, by or through the Debtor, its successors or assigns (subject, however, to the then existing rights, if any, of NRUC under the Management Agreement).

4.6 Application of Sale Proceeds. The proceeds and/or avails of any sale of the Collateral, or any part thereof, and the proceeds and the avails of any remedy hereunder shall be paid to and applied as follows:

(a) First, to the payment of costs and expenses of foreclosure or suit, if any, and of such sale, and of all property expenses, liability and advances, including legal expenses and attorneys' fees, incurred or made hereunder by the Secured Party, or the holder of the Note and of all taxes, assessments or liens superior to the lien of these presents, except any taxes, assessments or other superior lien subject to which said sale may have been made;

(b) Second, to the payment of the holder of the Note of the amount then owing or unpaid on the Note for principal and interest; and in case such proceeds shall be insufficient to pay in full the whole amount so

due, owing or unpaid upon the Note, then ratably according to the aggregate of such principal and the accrued and unpaid interest with application on the Note to be made, first to unpaid principal thereof, and next to unpaid interest thereon; such application to be made upon presentation of the Note, and the notation thereon of the payment, if partially paid, or the surrender and cancellation thereof, if fully paid; and

(c) Third, to the payment of the surplus, if any, to the Debtor, its successors and assigns, or to whomsoever may be lawfully entitled to receive the same.

4.7 Cumulative Remedies. No delay or omission of the Secured Party or of the holder of the Note to exercise any right or power arising from any default on the part of the Debtor, shall exhaust or impair any such right or power or prevent its exercise during the continuance of such default. No waiver by the Secured Party, or the holder of the Note of any such default, whether such waiver be full or partial, shall extend to or be taken to affect any subsequent default, or to impair the rights resulting therefrom except as may be otherwise provided herein. The Secured Party may exercise any one or more or all of the remedies hereunder and no remedy is intended to be exclusive of any other remedy but each and every remedy shall be cumulative and in addition to any and every other remedy given hereunder or otherwise existing now or hereafter at law or in equity; nor shall the giving, taking or enforcement of any other or additional security, collateral or guaranty for the payment of the indebtedness secured under this Security Agreement operate to prejudice, waive or affect the security of this Security Agreement or any rights, powers or remedies hereunder, nor shall the Secured Party or holder of any of the Notes be required to first look to, enforce or exhaust such other or additional security, collateral or guaranties.

Section 5. MISCELLANEOUS

5.1 Partial Invalidity. The unenforceability or invalidity of any provision or provisions of this Security Agreement shall not render any other provision or provisions herein contained unenforceable or invalid.

5.2 Communications. All communications provided for herein shall be in writing and shall be deemed to have been given (unless otherwise required by the specific provisions hereof in respect of any matter) when delivered personally or when deposited in the United States certified mails, first class, postage prepaid, addressed as follows:

If to the Debtor:

New England Merchants National Bank
(Trust Department)
28 State Street
Boston, Massachusetts 02108

If to the Secured
Party:

National Railway Utilization Corporation
1100 Centre Square East
1500 Market Street
Philadelphia, Pennsylvania 19102

or to the Debtor or the Secured Party at such other address as the Debtor or the Secured Party may designate by notice duly given in accordance with this Section to the other party.

IN WITNESS WHEREOF, the Debtor and the Secured Party have executed this Security Agreement as of the day and year first above written.

(CORPORATE SEAL)

NATIONAL RAILWAY UTILIZATION CORPORATION

ASSISTANT SECRETARY

By: _____

Secured Party
VICE PRESIDENT

Debtor

STATE OF SOUTH CAROLINA)
)
COUNTY OF GREENVILLE)

SS

On this _____ day of June, 1979, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is a _____ of National Railway Utilization Corporation, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation.

Notary Public

(SEAL)

STATE OF)
)
COUNTY OF)

SS

On this _____ day of June, 1979, before me personally appeared _____, who being by me duly sworn, says that he acknowledged that the execution of the foregoing instrument was his free act and deed.

Notary Public

(SEAL)

AMENDMENT TO SECURITY AGREEMENT

This Amendment dated as of June 28, 1979 amending a Security Agreement dated as of June 11, 1979 (the Security Agreement) between the undersigned boxcar owner (the Debtor) and National Railway Utilization Corporation (the Secured Party).

WHEREAS, the Debtor has delivered his note of June 11, 1979 to the Secured Party in return for a loan made to the Debtor by the Secured Party for the purchase of certain 50'6", Type XM railroad boxcars; and

WHEREAS, the Secured Party has reached an agreement with New England Merchants National Bank for the transfer of that note of the Debtor to New England Merchants National Bank in return for a certain cash payment; and

WHEREAS, New England Merchants National Bank requires, as inducement to enter into that transaction, the amendment of the Security Agreement,

NOW, THEREFORE, in consideration of the premises and as an inducement to New England Merchants National Bank to purchase the Debtor's aforementioned note from the Secured Party, the Debtor and the Secured Party hereby agree to amend the Security Agreement in the following particulars:

1. Recitals.

Sub-paragraph "A" of the "Recitals" section on Page 1 of the Security Agreement is amended by deleting that paragraph in its entirety and substituting in place thereof the following sub-paragraph:

- A. The Debtor has delivered this date to the Secured Party his note dated as of the date hereof in the amount of \$. The Note matures on January 30, 1985 and bears interest at a fluctuating interest rate calculated as one percent over the prime rate as established by New England Merchants National Bank (with a minimum interest rate of eleven percent payable in any event).

2. Further Assurances.

Section 2.3, entitled "Further Assurances", is hereby amended by deleting in its entirety the last sentence of that section and substituting in its place the following sentence:

Without the prior written consent of the Secured Party, the Debtor will not transfer for less than full consideration any asset or assets reflected on his personal financial statement which individually or in the aggregate have a value in excess of twenty percent (20%) of the total assets shown thereon.

3. Defaults and Other Provisions.

Section 4.1, entitled, "Events of Default", shall be amended by adding a sub-paragraph (f) and a sub-paragraph (g) which shall read, respectively, as follows:

(f) Debtor shall file or have filed against him a petition under any bankruptcy, reorganization, arrangement, insolvency or readjustment of debt law of any jurisdiction, whether now or hereafter in effect, or a receiver or trustee shall be appointed for the Debtor or the Debtor shall make any assignment for the benefit of his creditors or admit in writing his inability to pay his debts generally as they become due; or

(g) Debtor shall default under the terms of a Note Purchase Agreement dated as of June 28, 1979 among National Railway Utilization Corporation, New England Merchants National Bank and certain Obligors (including Debtor).

Section 4.1, entitled, "Events of Default", shall be amended by deleting in its entirety sub-paragraph (b) and substituting in its place the following paragraph:

- (b) An Event of Default on the part of the Debtor as defined and set forth in Section 12 of the Management Agreement; or

4. Secured Party's Rights.

Section 4.2, entitled, "Secured Party's Rights", shall be amended by deleting the reference, in the first paragraph of that section, to the "State of Massachusetts" and substituting therefor a reference to "Commonwealth of Massachusetts".

5. Communications.

Recipients of communications addressed to the Debtor and the Secured Party, respectively, shall be changed to the following:

If to the Debtor:

with copies to: National Railway Utilization Corporation
Attention: Contracts Administrator
1100 Centre Square East
1500 Market Street
Philadelphia, Pennsylvania 19102

and: New England Merchants National Bank, Agent
Attention: Richard Crosby
28 State Street
Boston, Massachusetts 02108

If to the Secured Party:

National Railway Utilization Corporation
Attention: Contracts Administrator
1100 Centre Square East
1500 Market Street
Philadelphia, Pennsylvania 19102

New England Merchants National Bank
Attention: Richard Crosby
28 State Street
Boxton, Massachusetts 02108

In all other respects, the Security Agreement remains in full force and effect according to its original terms.

IN WITNESS WHEREOF, the Debtor and the Secured Party have executed this Amendment as of the day and year first above written.

ATTEST:

[Signature]
(CORPORATE SEAL)

NATIONAL RAILWAY UTILIZATION CORPORATION

By:

[Signature]
Secured Party

By:

[Signature]
Debtor

WE CONSENT:

NEW ENGLAND MERCHANTS NATIONAL BANK

By: _____

ATTEST: _____

STATE OF SOUTH CAROLINA)

COUNTY OF GREENVILLE)

On this 28th day of June, 1979, before me personally appeared Ronald K. Gooding, to me personally known, who, being by me duly sworn, says that he is Vice President of NATIONAL RAILWAY UTILIZATION CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Signature]
Notary Public for South Carolina
My Commission Expires: 12/5/79

STATE OF

COUNTY OF

On this 28th day of June, 1979, before me personally appeared _____, to me personally known, who, being by me duly sworn, says that said instrument was signed by him individually and he acknowledged that the execution of the foregoing instrument was his free act and deed.

~~Notary Public~~

My Commission Expires:

COMMONWEALTH OF MASSACHUSETTS)

COUNTY OF SUFFOLK)

On this 28th day of June, 1979, before me personally appeared _____, to be personally known, who, being by me duly sworn, says that he is _____ of NEW ENGLAND MERCHANTS NATIONAL BANK, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public for Massachusetts

My Commission Expires:

THIS AGREEMENT HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR THE APPLICABLE SECURITIES ACT OF ANY STATE. NO OFFER TO SELL, SALE OR OTHER TRANSFER OF THIS AGREEMENT OR THE RIGHTS HEREUNDER MAY BE MADE UNLESS A REGISTRATION UNDER SUCH ACTS IS IN EFFECT, OR AN EXEMPTION FROM THE REGISTRATION PROVISIONS OF SUCH ACTS IS THEN APPLICABLE.

MANAGEMENT AGREEMENT

THIS AGREEMENT, dated as of June 11, 1979, between NATIONAL RAILWAY UTILIZATION CORPORATION, a South Carolina corporation ("NRUC"), and _____ ("Owner").

W I T N E S S E T H:

WHEREAS, Owner has agreed to purchase a certain number of boxcars (the "Boxcars") as described herein, and has agreed to retain the services of NRUC as the Owner's agent for managing the Boxcars as provided herein; and

WHEREAS, NRUC is willing to accept such appointment as agent, and to perform management services for the account of Owner pursuant to the terms and conditions hereof;

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto agree as follows:

1. Appointment of Agent; Acceptance. Subject to and in accordance with the terms and conditions of this Agreement, the Owner hereby appoints NRUC as agent of the Owner to manage the operation of the Boxcars for the account of and on behalf of the Owner and NRUC hereby accepts such appointment.

2. Term. The term of this Agreement with respect to each Boxcar shall commence on the date of execution of a Certificate of Acceptance with respect to such Boxcar as provided in Section 3 of this Agreement and shall continue for ten (10) years thereafter, unless sooner terminated as hereinafter provided.

3. Delivery, Acceptance and Ownership of Boxcars.

(a) Upon delivery of each Boxcar to a point designated by NRUC (such delivery to be effected prior to any placement in service of such Boxcar), NRUC will inspect the same and, if such Boxcar shall be found to be in good order, accept the same for the Owner by executing a Certificate of Acceptance in the form attached hereto as Exhibit "A". Upon execution of such Certificate of Acceptance such Boxcar shall be deemed to be subject to this

Agreement. NRUC agrees to deliver to the Owner executed copies of each such Certificate of Acceptance. NRUC shall bear all costs of the inspection and certification of the Boxcars as herein provided. Except for Boxcars manufactured by NRUC, the manufacturer's invoice includes a \$1,500 inspection and certification fee which will be paid directly by the manufacturer to NRUC.

(b) The execution of a Certificate of Acceptance as to each Boxcar by NRUC shall, inter alia, constitute a representation and warranty by NRUC that (i) such Boxcar has been manufactured in accordance with specifications approved by NRUC; (ii) such Boxcar meets all standards for boxcars of similar class imposed by government and industry authorities the rules or regulations of which may be applicable; (iii) the original use of such Boxcar within the meaning of Treasury Regulation 1.167(c)-1(a)(2) will be deemed to commence with the Owner; (iv) such Boxcar will constitute "new Section 38 property" within the meaning of Treasury Regulation 1.48-2(a); (v) such Boxcar will be first placed in service within the meaning of Treasury Regulation 1.167(a)-11(e)(1) on the date of the Certificate of Acceptance; and (vi) NRUC has caused the Owner to be named as an additional insured under its combined single limit liability insurance policy and has caused such Boxcar to be specifically referenced in such policy.

(c) The parties agree that the Owner shall at all times be and remain the owner of the Boxcars, and that nothing in this Agreement is in any way intended to grant any ownership interest or property right in the Boxcars to NRUC or to any railroad whose markings appear on the Boxcars. Further, NRUC will not directly or indirectly create or suffer to exist, any mortgage, pledge, lien, charge, encumbrance, or other security interest or claim on or with respect to the Boxcars in favor of persons claiming through or under NRUC or through or under any railroad whose markings appear on the Boxcars. NRUC will promptly, at its expense, take such action as may be necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrance, security interest or claim in favor of persons claiming through or under NRUC or through or under any railroad whose markings appear on the Boxcars, and shall indemnify Owner and hold the Owner harmless from and against all claims, damages and expenses arising out of any such third party claim.

4. Powers, Duties, and Responsibilities of NRUC. The agency and management functions, and the powers, duties and responsibilities of NRUC hereunder, shall include those specifically set

forth in this Section 4 and such other duties and responsibilities as shall be set forth elsewhere in this Agreement and as shall be agreed upon from time to time by the parties hereto:

(a) NRUC shall manage and arrange for the utilization of the Boxcars in per diem service integrated with the per diem service utilization of the fleet of Boxcars managed by NRUC for its own account and the accounts of others and shall perform all necessary administrative acts to ensure the proper and maximum utilization of said Boxcars for the benefit of Owner and for the protection of the Owner's interest therein.

(b) NRUC shall make available for the Boxcars the markings of a railroad owned or controlled by NRUC. NRUC agrees that on or before delivery of the Boxcars to NRUC and prior to NRUC executing a Certificate of Acceptance, NRUC, at its expense, shall cause the Boxcars to be lettered with proper railroad markings and the name and/or other insignia used by such railroad. Such names and/or insignia shall comply with all applicable regulations of the Interstate Commerce Commission ("ICC") and the Association of American Railroads ("AAR") and any other government or industry agency or association the rules of regulations of which may be applicable.

(c) NRUC shall prepare for filing and shall cause to be filed in a timely manner all documents relating to the registration, maintenance and record keeping functions for the Boxcars in accordance with the rules and regulations of the AAR, ICC, Department of Transportation ("DOT") and any other government or industry authority. Such matters shall include, but shall not be limited to, the preparation and timely filing of documents as follows: (i) NRUC shall, at its expense, file a counterpart of this Agreement and of each Certificate of Acceptance delivered to Owner hereunder with the ICC pursuant to Section 20c of the Interstate Commerce Act; (ii) NRUC shall cause the registration of each Boxcar in the Official Railway Equipment Register ("ORER") and the Universal Machine Language Equipment Register ("UMLER") directing, among other things that all correspondence from railroads using such Boxcars shall be addressed to NRUC; and (iii) NRUC shall prepare and cause to be filed such regulatory agencies with respect to the Boxcars. Any record keeping performed by NRUC and all records of payments and charges and all correspondence relating to the Boxcars shall be separately recorded and maintained by NRUC in a form suitable for reasonable inspection by the Owner, or any person designated by the Owner from time to time during regular business hours of NRUC. NRUC shall supply the Owner with such reports regarding the use of the Boxcars as the Owner or his designee may reasonably request. NRUC shall provide the Owner with all information reasonably necessary for preparation of Federal income tax and other tax returns.

(d) NRUC shall perform all car accounting services for the Boxcars and send reports to the Owner on a quarterly basis not more than 15 days after the end of each calendar quarter itemizing all revenues received and expenses paid (i.e., on the cash basis) during such quarter.

(e) NRUC will at all times while this Agreement is in effect furnish, at its expense, combined single limit liability

insurance insuring NRUC and the Owner in an amount not less than \$3,000,000 for each person and \$3,000,000 for each occurrence for liability arising out of bodily injury and property damage as a result of the ownership and operation of the Boxcars. NRUC shall furnish the Owner with a Certificate of Insurance confirming that the Owner is named as a additional insured under such policy and that each of the Owner's Boxcars is referred to in such policy. NRUC shall, if the Owner has so elected in Section 21 of this Agreement, seek to obtain and maintain, at the expense of the Owner, all risk casualty insurance against damage to each boxcar in an amount not less than the original invoice price thereof, with a \$500 deductible applicable on a per Boxcar basis. The cost of such casualty insurance shall be paid directly by the Owner (but NRUC) shall have the right to pay the premiums on behalf of the Owner and to deduct such amounts from the Owner's "Aggregate Net Revenues" as hereinafter defined).

If at any time the general liability insurance maintained on the Boxcars shall lapse or have limits of less than \$3,000,000 for whatever reason, NRUC shall immediately upon receipt of notice of the lapse of, or decrease in, such insurance coverage, give written notice to Owner of the same. NRUC shall notify Owner promptly with respect to any default in payment of any premium or of any other act or omission of NRUC or of any other party of which it has knowledge which might invalidate, or render unenforceable, or result in a lapse of or reduce, any insurance coverage on the Boxcars maintained pursuant to this Agreement.

(f) NRUC shall monitor, make, or cause to be made, such inspections of and maintenance and repairs to the Boxcars, including replacement of parts, as may be required to maintain the Boxcars in good operating condition (ordinary wear and tear excepted) and in compliance with all applicable rules and regulations of government and industry authorities relating to the qualification of the Boxcars for use in the Railroad Interchange System throughout the term of this Agreement. All expenses of maintenance and repairs shall be paid directly by the Owner (but NRUC shall have the right to pay such expenses on behalf of the Owner and to deduct such amounts from the Owner's Aggregate Net Revenues). However, if Owner shall, as provided in Section 21 of this Agreement, have entered into an Optional Boxcar Maintenance Agreement with NRUC (an "Optional Maintenance Agreement"), then the terms thereof with respect to expenses of maintenance and repair shall control. If such Optional Maintenance Agreement is in effect then NRUC shall pay the maintenance fees due it on behalf of Owner by deducting such fees when due from the Owner's Aggregate Net Revenues. NRUC agrees that it shall reasonably pursue all claims against third parties for damage to the Boxcars on behalf and at the expense of the Owner. However, if the Owner shall have entered into an Optional Maintenance Agreement with NRUC, then NRUC shall bear the expense of claims against third parties for damage to the Boxcars (except for claims with respect to collision and other casualty which are at the Owner's expense in any event). The Owner agrees that, with respect to any claim or right against any third party relative to the physical condition of any Boxcar, the Owner shall, to the extent reasonably required to permit

NRUC to seek recovery from such third party, assign such claim or right to NRUC. Unless NRUC is obligated to bear the cost or expense for which recovery is sought, such recovery shall be for the benefit of the Owner. NRUC may elect to require the Owner to advance reasonable costs to be incurred by NRUC on the Owner's behalf in any particular case.

(g) NRUC shall make, or cause to be made, in either case at the expense of the Owner, all alterations or modifications to the Boxcars required by government or industry regulations; provided, however, if the direct costs of such alterations or modifications shall exceed \$500 per Boxcar (computed cumulatively from the date of the Certificate of Acceptance as to such Boxcar), then NRUC shall first give the Owner prior written notice of the proposed alterations and modifications and an estimate of the cost thereof, and NRUC shall not thereafter make or cause such modifications to be made if the Owner advises NRUC in writing within fifteen days after receipt of such notice that Owner does not desire to have such alterations or modifications made. In the event Owner elects not to proceed with such required alterations or modifications, NRUC may elect to terminate this Agreement as to the Boxcars requiring such alterations or modifications upon five days' prior written notice to Owner, in which event subparagraph 14(d) regarding delivery of the Boxcars shall apply. In the event that alterations or modifications are required to correct a manufacturer's defect, then such alterations and modifications shall be at the expense of NRUC if the Optional Maintenance Agreement is in effect. Nothing in this subparagraph shall affect the rights of the Owner as against the manufacturer, if any.

(h) NRUC shall take appropriate steps to ensure that no Boxcar will be used predominantly outside the United States within the meaning of Section 48(a)(2)(A) of the Internal Revenue Code of 1954 (as amended), or any successor provisions thereof, and applicable regulations thereunder.

5. Receipt and Disbursement of Revenue.

(a) NRUC shall collect, on behalf of the Owner, all mileage charges and car hire revenues paid by railroads with respect to the use of the Boxcars. Such mileage charges and car hire revenues are referred to herein as the "Gross Revenues". In addition to those items of expense which may be paid by NRUC for the account of Owner pursuant to this Agreement, NRUC shall, at the expense of Owner, pay the following designated expenses as may be required to be paid with respect to the Owner's Boxcars: movement and storage expenses, any sales tax which may be imposed with respect to such Gross Revenues, car hire claim relief allowed any railroad by NRUC, and adjustments or refunds of Gross Revenues payable to railroads. Such designated expenses are referred to herein as the "Designated

Expenses." In the event that the Owner has elected to participate in the Revenue Pool as described in subparagraph (b) of this Section, then the Owner's Gross Revenues and Designated Expenses will be computed as therein provided. The excess of the Owner's Gross Revenues over Designated Expenses is referred to herein as the "Aggregate Net Revenues". The Owner's Aggregate Net Revenues for each calendar quarter are referred to herein as the "Owner's Quarterly Net Revenues".

(b) The Owner may elect in Section 21 of this Agreement to participate in the pooling of Gross Revenues and Designated Expenses relating to the Owner's Boxcars with the Gross Revenues and Designated Expenses relating to the boxcars of others who are contemporaneously acquiring boxcars and entering into management agreements with NRUC (the "Revenue Pool"). If such election has been made (and if one or more other owners has similarly elected), then such participation shall be as provided herein.

(i) Gross Revenues and Designated Expenses with respect to all boxcars, the revenues of which are included in the Revenue Pool, shall be allocated to (and, as apportioned, be the Gross Revenues and Designated Expenses of) each participant in the Revenue Pool.

(ii) Apportionment shall be effected with respect to each calendar quarter on the basis of the number of days in such quarter that each boxcar was included in the Revenue Pool (i.e., from the date of the Certificate of Acceptance of such Boxcar to the date of withdrawal). As to each Boxcar, such apportionment rate shall be based on days of participation as a ratio of the total number of boxcar days of participation in the Revenue Pool. However, NRUC shall, pursuant to a mathematical formula, adjust the apportionment rate to reflect the fact that different boxcars included in the Revenue Pool may have different rate entitlements from time to time by virtue of age and cost differences between boxcars.

(iii) Gross Revenues received in any calendar quarter shall be allocated among boxcar owners in accordance with the apportionment rate in effect with respect to the quarter in which such revenues were earned. Except to the extent NRUC determines as to any particular item of Designated Expenses to apportion such item in accordance with the apportionment rate in effect with respect to the quarter in which such expense was incurred, Designated Expenses paid in any calendar quarter shall be allocated among boxcar owners in accordance with the apportionment rate in effect with respect to the quarter in which such expenses were paid.

(iv) It is understood that only those items of income expressly included in Gross Revenues are to be pooled (i.e., excluded are insurance proceeds or other casualty damage proceeds or

the proceeds from sale or other disposition of a participant's boxcars, etc.) and only those items of expense expressly included in Designated Expenses are to be pooled (i.e., excluded are collision and other casualty expenses, liability obligations for personal injury or property damage, ad valorem and similar taxes, management and maintenance fees, maintenance and repair expenses, expenses of sale or other disposition of a boxcar, principal of and interest on debt, etc.).

(v) Gross Revenues received and Designated Expenses paid after termination of a Revenue Pool or an Owner's participation therein shall be allocated to, and be the revenues and expenses of, boxcar owners in accordance with subparagraphs (i) (ii) and (iii) hereof.

(vi) Withdrawal of a boxcar from the Revenue Pool shall be effected automatically upon the loss or destruction of (or damage beyond repair to) such boxcar. Further, such withdrawal shall be automatically effected upon termination of NRUC's management of such boxcar.

(vii) An owner may terminate participation in the Revenue Pool as to all boxcars owned by him effective as of the last day of any calendar quarter by written notice to NRUC given not less than thirty (30) days prior to the close of such quarter.

(viii) No participant in the Revenue Pool shall gain, by reason of such participation, any ownership or other economic interest whatsoever in any boxcar of any other participant, it being understood and agreed that the Revenue Pool is merely a book-keeping arrangement as to the pooling of certain designated items of income and expense of a limited period. No participant in the Revenue Pool shall have any contractual relationship with any other participant in the Revenue Pool pursuant to this Agreement, and the sole contractual relationship to which the Owner is a party being that between the Owner and NRUC.

(c) NRUC shall, in addition to the rights of NRUC under Section 16 hereof, have the right, if it so determines, to make disbursements on behalf of the Owner from the Owner's Aggregate Net Revenues of the following expenses applicable with respect to the Boxcars owned by the Owner:

(i) The management fee payable to NRUC as provided in Paragraph 7;

(ii) Costs of maintenance and repair for which the Owner is responsible hereunder;

(iii) Maintenance fees payable to NRUC pursuant to the Optional Maintenance Agreement if in effect;

(iv) Ad valorem and similar taxes; and

(v) Costs for optional casualty insurance, if elected by the Owner herein.

(d) NRUC shall distribute Owner's Quarterly Net Revenues, less any expenses paid pursuant to subparagraph (c) hereof, quarterly, 15 days after the close of each calendar quarter. Such disbursement shall be to an account of the Owner and shall be accompanied by a report to Owner in sufficient detail to permit calculation of the management fee and any other sums due NRUC at that time.

(e) In the event that Gross Revenues are insufficient to discharge any expenses (including Designated Expenses) attributable to the Boxcars, the Owner shall pay such expenses as are not covered by Gross Revenues for which Owner is responsible or promptly reimburse NRUC for payment of the same as the case may be.

6. Conflicts of Interest. Owner understands that NRUC is managing other boxcars for its own account and for the account of persons associated with NRUC and that NRUC may have conflicts of interest between the management of Owner's Boxcars and other boxcars owned, controlled or managed by NRUC. Although there can be no assurance that the Owner's Boxcars will earn revenues equal to those of other railroad equipment owned, controlled, or managed by NRUC, NRUC agrees to use reasonable efforts to integrate the Owner's Boxcars into the fleet of railroad equipment owned, controlled, or managed by NRUC and to manage the Owner's Boxcars in a manner consistent with the management by NRUC of railroad equipment for its own account and the account of affiliated persons in an effort to provide the same rate of utilization for the Owner's Boxcar that it achieves for all other boxcars which it owns, manages or leases. NRUC shall have no liability under this Section 6 except for fraud, bad faith or gross mismanagement.

7. Management Fees.

(a) Subject to subparagraph (b) of this Section 7, in consideration of all management services performed by NRUC, the Owner agrees to pay NRUC (i) 20% of Gross Revenues received in a calendar quarter up to the Gross Revenues generated by a utilization rate of 95% or less, and (ii) 95% of Gross Revenues received in that calendar quarter generated by a utilization rate in excess of 95%. For example, if the utilization rate is 96%, then 95/96's of Gross Revenues will be subject to a management fee of 20% and 1/96 of Gross Revenues will be subject to a management fee of 95%. Such fee shall be due and payable quarterly on the date of distribution of Owner's Quarterly Net Revenues pursuant to the provisions of subparagraph 5(d) hereof; provided, however, there shall be credited to the sums otherwise due NRUC on such date amounts paid to NRUC on account thereof pursuant to subparagraph (c) hereof. The utilization rate to be applied in determining the management fee for a particular quarter shall be the utilization rate for the most recent twelve month period (or such shorter period for which this Agreement has been in effect) for which revenues have been collected. The utilization rate shall be computed as provided in Subparagraph 14(b) hereof.

(b) Notwithstanding the provisions of subparagraph (a) of this Section, but subject to the provisions to subparagraph (c), payment of management fees to NRUC may be deferred by the Owner to the extent provided in this subparagraph. Such fees may be deferred by the Owner to the extent, and so long as, the sum of Owner's Quarterly Net Revenues computed on a cumulative cash basis from the date of commencement of this Agreement (the "Cumulative Boxcar Revenues"), do not exceed the sum of (i) the total amount of payments due from the Owner under an Optional Maintenance Agreement (or, if the Owner is not a party to an Optional Maintenance Agreement, the payments which would have become due if the Owner were such a party), computed on a cumulative basis from the date of commencement of this Agreement, and (ii) the sum of, for each Boxcar at any time under management hereunder, \$1,475 times the number of full quarters of such management which have elapsed from the date of commencement of this Agreement to the date of the computation. Fees deferred for any quarter shall be paid to NRUC in the first subsequent quarter (and each quarter thereafter) to the extent that the Owner's Cumulative Boxcar Revenues through each quarter exceed the sum of (i) the total amount of payments due from the Owner under an Optional Maintenance Agreement (or, if the Owner is not a party to an Optional Maintenance Agreement, the payments which would have become due if the Owner were such a party), computed on a cumulative basis from the date of commencement of this Agreement, and (ii) the sum of, for each Boxcar at any time under management hereunder, \$1,475 times the number of full quarters of such management which have elapsed from the date of commencement of this Agreement to the date of the computation, until the aggregate deferred fees for all prior quarters have been paid. However, management fees to NRUC (including fees theretofor deferred) may be similarly deferred with respect to any quarter except to the extent that Owner's Quarterly Net Revenues with respect to such quarter exceed the sum of (i) the total amount of payments due from the Owner under an Optional Maintenance Agreement (or, if the Owner is not a party to an Optional Maintenance Agreement, the payments which would have become due if the Owner were such a party) in such quarter, and (ii) \$1,475 times the number of Boxcars under management hereunder during such quarter. In the event of termination of this Agreement, all remaining deferred unpaid management fees hereunder shall be deemed unearned.

(c) Notwithstanding the provisions of subparagraphs (a) and (b) of this Section, for the period commencing upon the effective date of this Agreement and ending on December 31, 1980, NRUC shall be entitled to a minimum management fee in the amount of 10% of Owner's Gross Revenues received on a daily basis. Such minimum management fee shall be payable by the Owner to NRUC daily, such payment to be effected by NRUC's deducting and retaining the same from Owner's Gross Revenues as received. The minimum management fee (i) shall be credited against Owner's obligation to NRUC pursuant to subparagraph (a) of this Section and (ii) shall not be subject to deferral pursuant to subparagraph (b) of this Section.

8. Express Powers Delegated to NRUC. NRUC shall have the power, in addition to the general powers set forth in Section 4:

(a) To affix to the Boxcars the railroad markings of a railroad owned or controlled by NRUC;

(b) To enter into arrangements with other railroads to grant per diem reclaim when deemed prudent to maximize revenues; and

(c) At the option and at the expense of NRUC, to affix the NRUC logotype insignia to each side of the Boxcars in standard size.

9. Assignment. (a) This Agreement is not assignable by NRUC except with the written consent of the Owner; provided, however, that this Agreement may be assigned by NRUC in connection with the merger or consolidation of NRUC into or with a corporation which is subject to the reporting requirements of the Securities Exchange Act of 1934, pursuant to Section 12(b) or 12(g) of that Act, or as part of the sale of substantially all of the assets of NRUC to such a corporation, provided that notice of such merger, consolidation, or sale shall be given to Owner prior to the effective date thereof.

(b) This Agreement is not assignable by Owner except with the consent of NRUC (except as provided in Section 16 hereof) which consent may be withheld or conditioned in its discretion. However, NRUC shall not unreasonably withhold such consent as to transfer by reason of intrafamily gifts and testamentary dispositions. NRUC's consent to any such transfer may be conditioned upon receipt by NRUC of such documents and instruments deemed appropriate by counsel for NRUC.

10. Compliance with Applicable Laws and Rules and Regulations. In connection with NRUC's management of the Boxcars, NRUC will comply, and will cause every railroad whose markings appear on the Boxcars to comply, and to the extent feasible will cause each user of the Boxcars to comply, in all respects, with all laws, rules, or administrative decisions of the jurisdictions in which operation of the Boxcars may extend, with the interchange rules of the AAR and with all rules, regulations, edicts, and/or decisions of the DOT, the ICC, the AAR and any other government or industry authority exercising any power or jurisdiction with respect to the Boxcars, to the extent that such may affect the title, revenues, operation or use of the Boxcars in any manner whatsoever; provided, however, that NRUC may, in good faith, at its expense, contest the validity or application of any such law or rule in any reasonable manner, provided further that NRUC is reasonably of the opinion that contesting such law or rule will not adversely affect the property or rights of the Owner.

In addition to the compliance provided in the preceding paragraph, NRUC shall specifically ascertain and assure that any and every railroad whose markings may be placed on the Boxcars as a result of this Agreement shall at all times comply with all applicable provisions of Part 1036, Sub-Chapter X of Title 49 of the Code of Federal Regulations -- Incentive Per Diem Charges on Boxcars, and any successor provisions thereto.

11. Indemnification. Owner and NRUC jointly and severally acknowledge, agree and covenant that NRUC is entering into this Agreement solely as the agent of the Owner.

(a) The Owner agrees that he shall not attempt to enter into contracts or commitments in the name, or on behalf of, NRUC, or to bind NRUC in any manner or respect whatsoever except insofar as may be consistent with NRUC's status as agent under this Agreement. Further, the Owner agrees to indemnify and hold NRUC harmless from any and all claims, demands, causes of action (at law or equity), costs, damages, reasonable attorneys' fees, expenses and judgments which may hereafter be asserted against or sustained by NRUC by reason of a claim of a third party against NRUC based on or relating to the Boxcars or arising out of operation or use thereof or the Owner's title thereto, except a claim which gives rise to NRUC's obligation to indemnify the Owner hereunder.

(b) NRUC agrees that it shall not attempt to enter into contracts or commitments in the name, or on behalf of, the Owner, or to bind the Owner in any manner or respect whatsoever except insofar as may be consistent with NRUC's status as agent under this Agreement. NRUC agrees to indemnify and hold harmless the Owner from and against any and all claims, demands, causes of action (at law or equity), costs, damages, reasonable attorneys' fees, expenses and judgments which may hereafter be asserted against or sustained by the Owner by reason of any act or omission by NRUC (i) if a result of negligence, fraud or bad faith of NRUC, (ii) if a result of any misrepresentation or breach of any covenant or warranty made by NRUC hereunder, or (iii) if a result of any act of NRUC outside the scope of NRUC's authority granted under this Agreement.

12. Default. The occurrence of any of the following events shall be Events of Default hereunder:

(a) The nonpayment by either party within fourteen (14) days after written notice of non-payment of any sum required hereunder to be paid by such party;

(b) Any material representation or warranty of either party under this Agreement shall prove to be incorrect in any material respect;

(c) The default by either party under any other material term, covenant or condition contained in this Agreement which is not cured within fourteen (14) days after written notice thereof from the other party;

(d) Any affirmative act of insolvency by NRUC, or the filing by NRUC of any petition or action under any bankruptcy, reorganization, insolvency, or moratorium law, or the filing of any such petition or action against NRUC that is not dismissed within sixty (60) days after such filing against NRUC, or the appointment of any receiver or trustee to take possession of the properties of NRUC unless such appointment is set aside or withdrawn or ceases to be in effect within sixty (60) days from the date of said filing or appointment;

(e) The subjecting of any of the property of NRUC to any levy, seizure, assignment, application or sale by any creditor or governmental agency which substantially impairs the capacity of NRUC to fulfill its obligations under this Agreement; and

(f) The assignment of this Agreement by either party in violation of Section 9 hereof.

13. Remedies Upon Default.

(a) Upon the occurrence of any Event of Default the non-defaulting party may (i) terminate this Agreement or (ii) proceed by appropriate court action to enforce performance of this Agreement by the defaulting party and/or (iii) sue to recover direct and consequential financial damages which result from a breach hereof, and such defaulting party shall bear the other party's costs and expenses, including reasonable attorneys' fees, in securing such enforcement or financial damages.

(b) In the event of default by NRUC, the Owner may, by notice in writing to NRUC, terminate NRUC's right to possession of the Boxcars; and thereupon the Owner may demand, and thereupon be entitled to delivery of the Boxcars pursuant to subparagraph 14(d) hereof (except that the costs and expenses of assembling, delivery, storage and transportation of the Boxcars would be for the account of NRUC) and/or may, by the Owner's agents, enter upon any premises where the Boxcars may be located and take possession of them and henceforth hold, possess and enjoy the same free from any right of NRUC. NRUC hereby expressly waives any and all claims against the Owner and the Owner's agents for damages of whatever nature in connection with any retaking of any of the Boxcars in any reasonable manner.

(c) In the event of default by NRUC, the Owner may demand that an escrow account be established to receive all car hire

revenues and mileage charges and any other sums accruing and payable with respect to the use of Boxcars, and NRUC shall take all necessary action to establish the escrow account and to provide for the direct payment of all such car hire revenues, mileage charges and other sums directly to the escrow account for payment to the Owner, as provided in this Agreement (subject to the payment by the escrow agent of any management and maintenance fees earned and payable to NRUC under this Agreement or under the Optional Maintenance Agreement). Such escrow account will be established at a national bank with a capital and undivided surplus of at least \$25,000,000 to be chosen by Owner and approved by NRUC (which approval shall not be unreasonably withheld).

(d) In the event of default by the Owner, NRUC, by notice in writing to the Owner, may terminate its obligations hereunder; provided, however, in exercising such right of termination, NRUC shall act in a commercially reasonable manner.

(e) Each and every power and remedy herein specifically given to the Owner or NRUC shall be in addition to every other power and remedy herein specifically given or now or hereafter existing at law or in equity, and each and every power and remedy may be exercised from time to time and simultaneously and as often and in such order as may be deemed expedient by Owner or NRUC. All such powers and remedies shall be cumulative, and the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission of the Owner or NRUC in the exercise of any such power or remedy and no extension of time for any payment due hereunder shall impair any such power or shall be construed to be a waiver of any default or an acquiescence therein. Any extension of time for payment hereunder or other indulgence duly granted by either the Owner to NRUC or NRUC to Owner shall not otherwise alter or affect the respective rights and obligations of the Owner and NRUC. The acceptance of any payment of the Owner or NRUC after it shall have become due hereunder shall not be deemed to alter or affect the respective rights and obligations of the Owner and NRUC with respect to any subsequent payments or defaults therein.

14. Termination. In addition to the termination rights provided in Section 13, this Agreement shall terminate as provided in this Section.

(a) This Agreement shall terminate with respect to any Boxcar sold (except as otherwise provided in Section 9 or 16 hereof), lost or destroyed (or damaged beyond repair).

(b) This Agreement shall terminate at the option of the Owner in the event that, for any twelve-month period for which revenues have been collected, the Owner's utilization rate is less than 82%. The utilization rate is the amount of car hire revenues

earned and received (exclusive of mileage revenues) with respect to Owner's Boxcars expressed as a percentage of the amount that could have been received if the Boxcars had earned the maximum amount of such car hire revenues for each day of such period. If such utilization rate is greater than 82%, the Owner shall nevertheless have the option to terminate this Agreement if such utilization rate is more than five percentage points less than the utilization rate applicable to all boxcars owned, managed or leased by NRUC. If the Owner is participating in a Revenue Pool, the utilization rate shall be computed on the basis of the average utilization rate of all boxcars in the Revenue Pool. NRUC agrees that it shall maintain and shall make available to the Owner such information in such form as shall be necessary to permit a determination of whether a right of termination exists hereunder.

(c) The Owner shall have the additional right and the option to terminate this Agreement upon payment to NRUC, as liquidated damages and not as a penalty, as to each Boxcar as to which this Agreement is to be terminated, of \$60 times the number of months of the term hereof which are unexpired as of the date of termination. The sale or lease of a Boxcar during the term of this Agreement shall be deemed to result in the termination of this Agreement as to such Boxcar by the Owner entitling NRUC to liquidated damages under this subparagraph unless such sale or lease does not terminate the status of NRUC as managing agent of such Boxcar hereunder or pursuant to a successor agreement with the purchaser or lessee the terms of which are not materially adverse to NRUC.

(d) At the expiration or upon termination of this Agreement as to any Boxcar, NRUC will, at the option of the Owner, surrender possession of such Boxcar to the Owner by immediate delivery of the same to the Owner at such place as the Owner shall designate in writing to NRUC or by causing the Boxcar to be moved from point to point in the usual and customary manner to be delivered to a point designated by the Owner within a period designated by the Owner, which period shall end (and such delivery shall be made) not later than one hundred twenty (120) days following termination. NRUC shall exercise reasonable efforts to keep the Boxcars in operation and producing car-hire revenues during such period. It is expressly agreed that (except as provided in subparagraph 13(b) hereof) assembling, delivery, storage, and transporting of the Boxcars is at the expense and risk of the Owner. A Boxcar shall no longer be subject to this Agreement upon removal therefrom of the railroad markings placed thereon by NRUC which removal shall be accomplished by NRUC and at NRUC's expense immediately upon the arrival of the Boxcar at the point designated by the Owner. The placement of such other markings as may be designated by the Owner shall be accomplished by NRUC at the Owner's expense. Notwithstanding the above, if the Boxcars are on, or are delivered to, the railroad line of NRUC or its affiliates upon any expiration or termination of this Agreement, NRUC

shall grant immediate access to the Owner or the Owner's agents, if requested, to remove the railroad markings from the Boxcars and place thereon such markings as may be designated by the Owner. After the removal and replacement of markings, if so requested by Owner, NRUC shall use its best efforts to load such Boxcars with freight and deliver them to a connecting carrier for shipment. NRUC, at the expense of the Owner, will arrange for storage of the boxcars for such period of time as shall be reasonably required by the Owner. From and after termination of this Agreement with respect to a Boxcar, all revenues earned by such Boxcar through the date of its return to the point designated by the Owner shall be paid to the Owner when and as received after deducting the management fee provided in Section 7, and any costs incurred in connection with such Boxcar.

15. Representations, Warranties and Covenants. NRUC represents, warrants and covenants that:

(a) NRUC is a corporation duly organized, validly existing and in good standing under the laws of the State of South Carolina and has the corporate power and authority and is duly qualified and authorized to do business wherever necessary to carry out its present business and operations and to own or hold under lease its properties and to perform its obligations under this Agreement (and, if in effect, the Optional Maintenance Agreement).

(b) The entering into and the performance of this Agreement (and, if in effect, the Optional Maintenance Agreement) will not violate any judgment, order, law or regulation applicable to NRUC, or result in any breach of or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance upon any assets of NRUC or on the Boxcars pursuant to any instrument to which NRUC is a party or by which it or its assets may be bound.

(c) There is no action or proceeding pending or threatened against NRUC before any Court or administrative agency or other governmental body which might result in any material adverse effect on the business, properties and assets, or condition, financial or otherwise, of NRUC.

(d) NRUC is not a party to any agreement or instrument or subject to any charter or other corporate restriction which, so far as NRUC can now reasonably foresee, will individually or in the aggregate materially adversely affect the business, condition or any material portion of the properties of NRUC or the ability of NRUC to perform its obligations under this Agreement.

(e) With respect to any Boxcars which shall bear the markings of the St. Lawrence Railroad, a division of NRUC, NRUC shall

be eligible and entitled to collect per diem, incentive per diem and mileage charges on the Boxcars in the possession of other railroads. In the case of Boxcars bearing the markings of other railroads owned or controlled by NRUC, the railroad whose markings are placed on such Boxcars shall likewise be eligible and entitled to collect per diem, incentive per diem and mileage charges on the Boxcars in the possession of other railroads.

(f) There is no procedure known to NRUC for recording, filing or depositing this Agreement, or the Certificates of Acceptance, other than pursuant to Section 11303 of the Interstate Commerce Act, which is necessary or advisable to preserve or protect the title of Owner to the Boxcars.

16. Rights of Secured Party. All rights of the Owner hereunder are to be assigned, pledged, mortgaged, transferred by the Owner as additional security for the obligations of the Owner under a Note and Security Agreement dated June 11, 1979, to the Lender named therein (the Finance Documents) and NRUC hereby acknowledges such assignment and agrees to pay all revenues and other monies due to the Owner hereunder directly to Sterling Capital, Ltd., Agent under Agency Agreement dated June 11, 1979, to be held and disbursed as provided therein. This Agreement and NRUC's rights hereunder are and shall be subject and subordinate to the rights of the Lender under the Security Agreement.

Upon receipt of notice from the Lender of the occurrence of any event of default under the Finance Documents (after giving effect to any express curative period), NRUC may deal with the Lender as successor in interest to the rights of the Owner under this Agreement and shall be bound only to the directions of the Lender. NRUC agrees to provide the Lender notice of the occurrence of any Event of Default by the Owner and shall treat the Lender as successor in interest to the rights of the Owner hereunder, provided the Lender shall have cured or remedied such default within thirty (30) days after receipt of such notice.

No provision of this Section 16 shall be construed to (i) impair or qualify the Owner's absolute title to and ownership of the Boxcars; (ii) impair, limit, qualify or derogate from the agency, powers, duties, authority and responsibilities delegated to NRUC by the Owner under this Agreement; or (iii) impair, limit or qualify the rights, indemnities and remedies of NRUC under this Agreement, subject only to the rights of the Lender in the Boxcars.

17. No Intention to Create Partnership. Notwithstanding that NRUC is and will be managing Boxcars for the accounts of other owners under agreements which may be similar to this Agreement as regards the rights and obligations of the parties, it is understood and agreed that this Agreement binds only the parties hereto with

respect to those Boxcars as to which NRUC has executed Certificates of Acceptance pursuant to this Agreement. NRUC will not act or purport to act for or in the name of the owners of boxcars who may have entered similar agreements collectively or an an entity, it being expressly understood that any actions taken on behalf of such owners will be taken as agent for such owners, severally and individually. The parties hereto expressly agree that this Agreement is not intended to create a partnership, joint venture or other entity between Owner, other owners of boxcars who may have entered similar agreements, and/or NRUC.

18. Accounts Receivable. NRUC agrees that it shall at all times follow normal, reasonable and prudent collection procedures in the collection of accounts receivable arising from car-hire revenues, mileage charges and other sums accruing from the operation and use of the Boxcars. Such procedures will provide the same monitoring and collection efforts which NRUC expends on accounts receivable arising with respect to other boxcars owned and managed by NRUC, and NRUC shall provide the same efforts and procedures used by NRUC with respect to other boxcars owned and managed by it to monitor and settle any claims by railroads operating the Boxcars for credits or repayments with respect to any such car hire revenues, mileage charges and other sums. NRUC shall within 30 days after the end of each calendar quarter provide to Owner an aging of the accounts receivable arising with respect to the Boxcars (or, if Owner is a participant therein, the Revenue Pool).

19. NRUC Exclusive Agent for Sale of Boxcars.

(a) NRUC is hereby designated the exclusive agent for the Owner for the sale or lease of any Boxcar subject to this Agreement. However, NRUC shall not have such exclusive agency rights in the event that (i) this Agreement is terminated as a result of an Event of Default by NRUC hereunder or (ii) this Agreement is terminated by the Owner pursuant to the provisions of subparagraph 14(b) hereof.

(b) Upon receipt of directions from Owner to dispose of one or more Boxcars, NRUC shall endeavor to find a buyer or lessee for the same. In the event that NRUC has effected a sale at the direction of Owner, or in the event NRUC has exclusive agency rights as to such transaction, NRUC shall be entitled to a commission of 10% of the sales proceeds regardless of whether NRUC, another agent or the Owner himself secures the buyer. In the event of a lease under such circumstances, commissions shall be paid NRUC with respect to each rental payment due in the amount of 10% of the rental. No commission shall be due in the event of a transfer of the Boxcars pursuant to the organization or reorganization of a corporation or partnership or on any transfer of any Boxcars by reason of the death of an Owner or by reason of a transfer of Boxcars by the Owner to a

relative or to a charitable organization. In the event a sale or lease of the Boxcars results in termination of this Agreement (whether or not a commission is payable), then, unless Owner has termination rights at the time of sale or lease in accordance with the other terms and conditions of this Agreement, NRUC shall also be entitled to liquidated damages (computed as provided in subparagraph 14(c) hereof) by reason of such termination by Owner. No commission shall be payable with respect to a sale or lease which does not terminate the status of NRUC as managing agent of the Boxcars hereunder or pursuant to a successor agreement with the purchaser or lessee the terms of which are not materially adverse to NRUC.

20. Miscellaneous.

(a) This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. No permitted assignment hereof shall relieve the assignor from any obligations hereunder, whether arising before or after the date of such assignment.

(b) Each party hereto shall promptly and duly execute and deliver to the other party such further documents, assurances, releases and other instruments, and take such further actions, including any necessary filings and the execution of a power of attorney of Owner, as the other party may reasonably request, in order to more fully carry out the intent and purpose of this Agreement, and to confirm the Owner's ownership of the Boxcars during the continuance of and upon termination of this Agreement.

(c) It is understood that upon the termination of NRUC's management as to any or all of the Boxcars, Owner shall no longer be entitled to use the ORER and UMLER Car Initials and Numbers and other designations (the "Designations") that are presently the property of NRUC. Owner hereby authorizes NRUC, and NRUC shall be required as provided in subparagraph 14(d), upon such termination at NRUC's expense to take all steps necessary to promptly change the Designations on the Boxcars no longer included under this Agreement, and Owner agrees to execute any and all documents requested by NRUC to transfer to NRUC any rights Owner may have acquired to such Designations, if any. NRUC agrees to prepare, at NRUC's expense, such documentation, which in its opinion, is necessary to change all Designations on the Boxcars.

(d) Any notice required or permitted to be given by one party to another hereunder shall be properly given when made in writing, deposited in the United States mail, registered or certified, postage prepaid, addressed to:

Owner at:

National Railway Utilization Corporation at:

1100 Center Square East
1500 Market Street
Philadelphia, Pennsylvania 19102

or to such other address as may be designated in a notice given in accordance herewith.

(e) This Agreement (and the Optional Maintenance Agreement, if in effect) contains the entire agreement of the parties hereto pertaining to the management and operation of the Boxcars. Except as otherwise provided herein, this Agreement may not be modified or amended, except by express, written agreement signed by both parties hereto. No waiver of any obligation of either party hereto shall be construed as a continuing waiver of any such obligation under any provision hereof.

(f) This Agreement shall be governed by and construed according to the laws of the State of South Carolina.

21. Elections by Owner. The Owner has made the determinations set forth in this Section and as evidenced herein:

(a) Casualty Insurance. Pursuant to subparagraph 4(e) of this Agreement, the Owner hereby, by initialling the appropriate space,

_____ does _____ does not

direct NRUC to seek to obtain and maintain, at the expense of Owner all risk casualty insurance against damages to each Boxcar in an amount not less than 100% of the invoice price thereof, with a \$500 deductible applicable on a per Boxcar basis. Owner understands that the availability of such insurance is not assured.

(b) Revenue Pool. Pursuant to subparagraph 5(b) of this Agreement, the Owner hereby, by initialling the appropriate space,

_____ does _____ does not

elect to participate in the Revenue Pool as described therein. Owner understands that neither the formation nor continuation of such Revenue Pool is assured.

(c) Optional Maintenance Agreement. Pursuant to subparagraph 4(f) of this Agreement, the Owner hereby, by initially the appropriate space,

_____ does _____ does not

elect to enter into an Optional Maintenance Agreement with NRUC. In the event that Owner has elected to enter into an Optional Maintenance Agreement, Owner has submitted counterparts thereof, executed by the Owner, to NRUC.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

ATTEST:

NATIONAL RAILWAY UTILIZATION
CORPORATION

Title: Assistant Secretary

By: _____

Title: Vice President

WITNESS:

Owner

STATE OF _____)

COUNTY OF _____)

On this 11 day of June, 1979, before me personally appeared _____, to be personally known and known to me to be the person described in the foregoing instrument, who, being by me duly sworn, says, that said instrument was signed and sealed by him and he acknowledges that the execution of the foregoing instrument was his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and Notarial Seal.

Notary Public
My Commission expires _____

STATE OF SOUTH CAROLINA)

COUNTY OF GREENVILLE)

On this 11 day of June, 1979, before me personally appeared Ronald K. Gooding, who being by me duly sworn, says that he is the Vice President of NATIONAL RAILWAY UTILIZATION CORPORATION, that the seal affixed to the foregoing instrument is the corporate seal of said corporation; that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and Notarial Seal.

Notary Public
My Commission expires _____

EXHIBIT A
TO
MANAGEMENT AGREEMENT

CERTIFICATE OF ACCEPTANCE

To: [Name & Address of Owner]

The undersigned, being a duly authorized inspector for National Railway Utilization Corporation ("NRUC") as managing agent under a Management Agreement (the "Management Agreement") between the addressee and NRUC dated as of _____, 19__, hereby certifies that he has made an inspection of _____, [Number] boxcars bearing numbers and marks as follows (the "Boxcars"):

Such Boxcars are 70 ton 50'6", rigid underframe, single sheath class XM boxcars and the above numbers and marks have been registered by NRUC (or a railroad controlled by NRUC) with the Association of American Railroads.

The undersigned has fully and finally accepted such Boxcars on behalf of the addressee as Owner and NRUC as managing agent, and has found that each of such Boxcars is plainly marked in stencil on both sides with the following or similar words:

"Ownership subject to documents filed pursuant
to the Interstate Commerce Act."

in readily visible letters not less than one inch (1") in height; and that each of such Boxcars conforms to and fully complies with the terms of the Management Agreement and is in condition satisfactory to NRUC. Immediately upon execution hereof by NRUC, the Boxcars shall be managed by NRUC, as Managing Agent for Owner, pursuant to the Management Agreement.

The undersigned further represents and warrants on behalf of NRUC that:

1. The Boxcars have been manufactured in accordance with specifications approved by NRUC and meet all standards required of boxcars of similar class by the Interstate Commerce Commission, the Department of Transportation and the Association of American Railroads.

2. The Boxcars bear the markings of a railroad owned or controlled by NRUC being the _____ [name of railroad] _____.

3. The Boxcars will be first placed in service (within the meaning of Treasury Regulation 1.167(a)-11(e)(1)) on the date hereof immediately after acceptance thereof.

4. The original use of the Boxcars (within the meaning of Treasury Regulation 1.167(c)-1(a)(2)) shall commence with the addressee after acceptance thereof.

5. The Boxcars have been lettered with proper railroad markings and the name and/or other insignia used by such railroad.

6. The Boxcars are new property (as that term is used in Treasury Regulation 1.48-2(a)).

The foregoing Certificate of Acceptance is hereby confirmed and acknowledged as the act and deed of National Railway Utilization Corporation as of the date thereof.

ATTEST:

NATIONAL RAILWAY UTILIZATION
CORPORATION

(Corporate Seal)

By: _____

Title: Assistant Secretary

Title: Vice-President

Date: June 11, 1979

STATE OF SOUTH CAROLINA)
)ss:
COUNTY OF GREENVILLE)

On this 11 day of June, 1979, before me personally appeared Ronald K. Gooding, to me personally known, who, being by me duly sworn, says that he is the Vice-President of NATIONAL RAILWAY UTILIZATION CORPORATION, that the seal affixed to the foregoing instrument is the corporate seal of said corporation; that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and Notarial Seal.

My Commission expires:

Notary Public

EQUIPMENT WARRANTY AND PATENT INDEMNITY

WHEREAS, _____ (Buyer) has agreed to purchase from National Railway Utilization Corporation (NRUC) _____ new 50'6", TYPE XM railroad boxcar(s) bearing road numbers _____ on or about June 11, 1979; and

WHEREAS, NRUC desires to sell those cars to Buyer; and

WHEREAS, in connection with that proposed purchase and sale, Buyer desires to receive and NRUC desires to grant certain warranties and indemnities relating to the construction of the aforementioned railroad boxcars,

NOW, THEREFORE, in consideration of the payment by Buyer to NRUC of the purchase price for each boxcar;

1. NRUC hereby warrants to Buyer that:

- (a) The aforementioned railroad boxcars conform to all applicable United States Department of Transportation and Interstate Commerce Commission requirements and applicable standards recommended by the Association of American Railroads.
- (b) The aforementioned railroad boxcars are free from defects in material and workmanship under normal use and service; provided, however, that the obligation of NRUC under this sub-paragraph is limited to making good at its plant any part or parts of any of the aforementioned railroad

boxcars which shall, within one year after the delivery of such boxcars to Buyer, be returned to NRUC with transportation charges prepaid and which NRUC reasonably shall determined to have been defective.

2. THE WARRANTIES CONTAINED HEREIN ARE EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OR MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. NRUC NEITHER ASSUMES OR AUTHORIZES ANY PERSON TO ASSUME FOR IT ANY OTHER LIABILITY IN CONNECTION WITH THE CONSTRUCTION AND DELIVERY OF THE AFOREMENTIONED RAILROAD BOXCARS.

3. NRUC agrees to indemnify, protect and hold harmless Buyer from and against any and all liabilities, claims, costs, charges and expenses, including royalty payments and reasonable counsel fees in any manner imposed upon or accruing against Buyer:

(a) because of the use in or about the construction or operation of any of the aforementioned railroad boxcars of any design, system, process, formula, combination, article or material which infringes or is claimed to infringe on any patent or other right, or

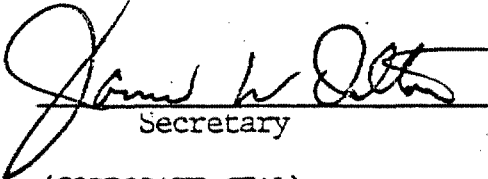
(b) arising out of any accident or tort during the construction, possession or storage by NRUC of any of the aforementioned railroad boxcars resulting in damaged property or injury or death to any person.

4. Buyer may assign its rights under this Equipment Warranty and Patent Indemnity to any person or entity for any purpose including financing or refinancing the acquisition of the aforementioned railroad boxcars.
5. This agreement shall be binding upon and shall inure to the benefit of the successors or assigns of Buyer and shall be binding upon the successors or assigns of NRUC.

IN WITNESS WHEREOF, NRUC, intending to be legally bound hereby,
has hereunto executed this document on June 11, 1979.

ATTEST:

NATIONAL RAILWAY UTILIZATION CORPORATION


Secretary

(CORPORATE SEAL)

BY: 

EQUIPMENT WARRANTY AND PATENT INDEMNITY

WHEREAS, _____ (Buyer) has agreed to purchase from Rail Fleet Corporation (RFC) _____ new 50'6", TYPE XM railroad boxcar(s) bearing road numbers _____ on or about June 11, 1979; and

WHEREAS, RFC desires to sell those cars to Buyer; and

WHEREAS, in connection with that proposed purchase and sale, Buyer desires to receive and RFC desires to grant certain warranties and indemnities relating to the construction of the aforementioned railroad boxcars,

NOW, THEREFORE, in consideration of the payment by Buyer to RFC of the purchase price for each boxcar;

1. RFC hereby warrants to Buyer that:

- (a) The aforementioned railroad boxcars conform to all applicable United States Department of Transportation and Interstate Commerce Commission requirements and applicable standards recommended by the Association of American Railroads.
- (b) The aforementioned railroad boxcars are free from defects in material and workmanship under normal use and service; provided, however, that the obligation of RFC under this sub-paragraph is limited to making good at its plant any part or parts of any of the aforementioned railroad

boxcars which shall, within one year after the delivery of such boxcars to Buyer, be returned to RFC with transportation charges prepaid and which RFC reasonably shall determined to have been defective.

2. THE WARRANTIES CONTAINED HEREIN ARE EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. RFC NEITHER ASSUMES OR AUTHORIZES ANY PERSON TO ASSUME FOR IT ANY OTHER LIABILITY IN CONNECTION WITH THE CONSTRUCTION AND DELIVERY OF THE AFOREMENTIONED RAILROAD BOXCARS.

3. RFC agrees to indemnify, protect and hold harmless Buyer from and against any and all liabilities, claims, costs, charges and expenses, including royalty payments and reasonable counsel fees in any manner imposed upon or accruing against Buyer:

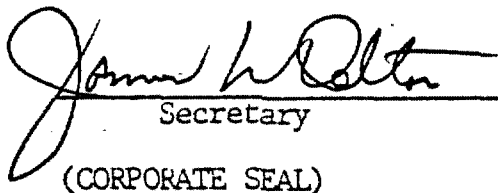
- (a) because of the use in or about the construction or operation of any of the aforementioned railroad boxcars of any design, system, process, formula, combination, article or material which infringes or is claimed to infringe on any patent or other right, or
- (b) arising out of any accident or tort during the construction, possession or storage by RFC of any of the aforementioned railroad boxcars resulting in damaged property or injury or death to any person.

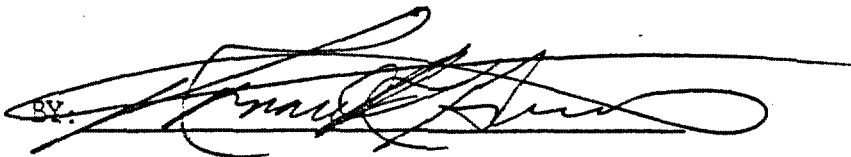
4. Buyer may assign its rights under this Equipment Warranty and Patent Indemnity to any person or entity for any purpose including financing or refinancing the acquisition of the aforementioned railroad boxcars.
5. This agreement shall be binding upon and shall inure to the benefit of the successors or assigns of Buyer and shall be binding upon the successors or assigns of RFC.

IN WITNESS WHEREOF, NRUC, intending to be legally bound hereby,
has hereunto executed this document on June 11, 1979.

ATTEST:

RAIL FLEET CORPORATION


Secretary
(CORPORATE SEAL)


BY: _____

6/29/79

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

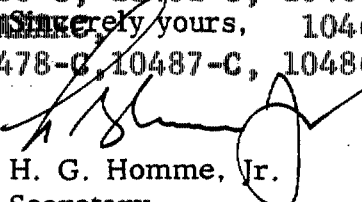
MR. CARL F. MULLER
NATIONAL RAILWAY UTILIZATION CORPORATION
1100 CENTRE SQUARE EAST
PHILADELPHIA, PA. 19102

Dear **SIR**:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C.

11303, on 6/28/79 at 9:30 am , and assigned re-

cordation number(s) 10549, 10476-C, 10490-C, 10491-C, 10470-C, 10472-C, 10485-C, 10482-C, 10492-A, 10480-C, 10481-C, 10467-C, 10475-C, 10483-C, 10473-C, 10471-C, 10468-C, 10484-C, 10479-C, 10488-C, 10489-C, 10478-C, 10487-C, 10486-C, 10474-C, 10477-C, 10469-C, 10493-C


H. G. Homme, Jr.
Secretary

Enclosure(s)

SE-30
(3/79)